



# **Organisational Legitimacy: The Case of the Australian Red Cross**

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## ***Abstract***

Charitable organisations such as the Australian Red Cross (ARC) rely on public goodwill for financial support. To ensure continued access to resources these organisations need to be perceived by the community as being legitimate, and seen as undertaking legitimate activities. Charitable organisations have faced ongoing criticisms about the way publicly donated funds are used (Kahler and Sargeant, 2002), and reduced donations (Margolis, 2001). The situation has worsened with potential donors being confronted with competing needs in difficult financial times (Omura and Forster, 2014). This is concerning, as donations are commonly their primary source of income. Bennett and Gabriel (2003) found that image and reputation strongly influence donor behaviour, and that charitable organisations must therefore develop and maintain a legitimate image and reputation to survive. Managing organisational legitimacy is thus critical for charitable organisations (Sutton, Cordery and Baskerville, 2007).

This study explores challenges faced by the ARC from the perspective of legitimacy theory. Dowling & Pfeffer (1975) argue that organisations are considered legitimate to the extent that their activities are consistent with the goals of society. If a legitimacy challenge or event occurs that results in a gap between society's expectations and the organisation's image, the organisation will need to act to manage its legitimacy setting. On this basis, legitimacy theory has been used to explain organisational behaviour (O'Donovan, 2002). However, the application of legitimacy theory in the literature has been criticised for being narrow in scope, and not capturing the full range of legitimating techniques available to organisations (Hybels 1995; Suchman, 1995). This research addresses this gap by demonstrating a broader application of legitimacy theory, studying multiple legitimacy challenges (events) faced by the organisation, and observing a range of legitimating techniques used by the ARC over an extended period of time.

A longitudinal case study of publicly available disclosures by the ARC for the period 1945 to 2014 was undertaken. The ARC is one of Australia's longest running large charitable organisations. It was registered in Australia in 1914 as an arm of the British Red Cross, and has grown considerably over time to have revenue of more than \$1 billion in 2014 (ARC, 2014). A qualitative content analysis of the ARC's media articles and annual reports was performed to identify and examine legitimating events affecting the organisation and legitimating techniques utilised by the organisation, and assess the success of the techniques adopted.

In the context of legitimacy management, legitimacy events observed were collated into three themes. Theme 1 comprises legitimacy events faced by the ARC in relation to the ensuring the organisation has a clearly defined and supported role in society. Theme 2 relates to specific criticisms of the ARC and general criticisms of charitable organisations. Theme 3 relates to ongoing issues and concerns about the management of the organisation's Blood Transfusion Service (BTS). Communication based and structural and procedural based legitimating techniques were observed for each theme. Assertive and emotive narrative legitimating techniques were observed across all themes. Other narrative techniques observed varied in nature and frequency across the three themes. Increasing use of pictorial legitimating techniques including photographs, graphs and tables was noted. Indicators of successful management of legitimacy events were observed, and the importance of structural and procedure techniques in organisational legitimacy management highlighted.

The study confirms and extends past research, demonstrating the use of a toolbox of legitimating techniques over time, and the selection of different techniques depending upon the legitimacy setting faced. It contributes to the literature by developing a list of legitimating techniques that charitable organisations might utilise to manage legitimacy more effectively in times of crisis. It also highlights the importance of accountability, transparency and good governance structures for charitable organisations. This research also confirms the ongoing and interactive nature of organisational legitimacy management. Future research could extend this research to different organisational types and settings.

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## **Chapter 1: Introduction**

### **1.1 Aim:**

The aim of this research is to extend the literature on organisational legitimacy, through the identification and examination of legitimating techniques utilised by the Australian Red Cross (ARC) over an extended period of time. This study identifies legitimacy events affecting the ARC's legitimacy setting resulting from changing social, political and economic factors, and examination of legitimating techniques adopted by the ARC over time, assessing the success of the legitimating techniques in changing the organisation's legitimacy setting. This work demonstrates the interactive and ever-changing nature of organisational legitimacy, and expands understanding of legitimating techniques available to a charitable organisation for legitimacy management purposes.

### **1.2 Motivation and Significance**

Organisations will be considered legitimate to the extent that their activities are consistent with the goals of society (Dowling & Pfeffer, 1975) and align with broader social, political and economic factors and interdependencies (Suchman, 1995). If a legitimacy crisis or event occurs that results in a gap between society's values and expectations and the organisation's values and expectations, the organisation will need to act to ensure continued access to resources. On this basis, legitimacy theory has been used to explain organisational choices (O'Donovan, 2002), in particular the use of legitimating techniques to manage organisational legitimacy. However, the application of legitimacy theory has been criticised for being narrow in scope, and not capturing the full range of legitimating techniques available to organisations (Hybels 1995; Suchman, 1995).

All organisations require legitimacy to ensure continued access to resources. Charitable organisations rely directly on the public for funds and quantity of donations has been linked to image (Bennet and Gabriel, 2003). Thus, for a charitable organisation, maintaining a legitimate image will be critical to ensuring sufficient resources necessary for pursuit of organisational goals and mission, and maximising prospects of long-term survival (Sutton et al, 2007). This study explores the events faced by the ARC from the perspective of legitimacy theory.

The ARC is a large long running charitable organisation that has maintained continued operations through difficult and challenging times. The organisation has secured continuous access to resources, which largely comprise donations from the public, for 100 years, thus

providing a valuable case study for organisational legitimacy management. This research addresses a gap in the literature by demonstrating a broader view of legitimacy theory as applied to the study of organisations, studying multiple legitimacy events, and a range of legitimating techniques used by the ARC over an extended period of time.

### **1.3 Prior Research - Organisational Legitimacy**

Past research has described organisational legitimacy as a perception by society that an organisation's values, as demonstrated through its communications and actions, are aligned with the values of society (Suchman, 1995). If an organisation breaches societal norms and beliefs, or if it has multiple stakeholders with differing demands and beliefs (Ogden and Clarke, 2005), and organisational values do not align with the values of society, then a legitimacy gap will occur. The organisation may then struggle to obtain ongoing support and access to resources. Thus, organisations need to observe any social, political and economic factors occurring in their legitimacy setting which create a legitimacy gap, or potential legitimacy gap, and act to realign its values with changing society values. They also need to communicate this action to its constituents (Suchman, 1995).

#### **1.3.1 Background on Organisational Legitimacy**

Sociology research on organisational legitimacy originated in the 1960's and provided a foundation for a quantity of subsequent works in the business literature. The early research in sociology was framed in terms of organisational values. This research studied the manner in which values are demonstrated through the actions of the organisation, and the effects of the organisation's actions on social values (Clark, 1956; Parsons, 1956; Levine and White, 1961). Effort has been made to capture the full breadth of this complex concept, thorough identification of legitimacy types and legitimating scenarios faced by organisations, and legitimating techniques available to organisations (Suchman, 1995). But the literature has frequently studied the strategic use of legitimating techniques for organisational legitimacy management, and criticised for its narrow focus.

The literature has not fully embraced the complexity of legitimacy management and the notion that organisations may manage different types of legitimacy and different legitimating scenarios over time, and under some circumstances organisations may need to manage two or more types of legitimacy simultaneously (Suchman, 1995). Thus, the legitimacy setting of an organisation at any point in time is a complex web of intertwining social, political and economic factors. In this setting the research contends that organisation's decision makers may select from a variety of substantive legitimating techniques such as structural and/or

procedural and/or communication techniques, depending upon whether they need to gain, maintain or repair their legitimacy (Suchman, 1995) and depending upon the type of legitimacy being managed (Ashforth and Gibbs, 1990).

This literature laid the foundations for the study of organisational legitimacy, and it has been adapted to varying degrees in the business research to study organisational legitimacy management, with an increasing quantity of work using legitimacy theory to study organisational behaviour predominantly business structures and to a lesser degree not-for-profit organisations.

### **1.3.2 Organisational Legitimacy in the Business Literature**

Research on legitimacy management in the business literature has identified a range of possible legitimating techniques available for legitimacy management. This literature has frequently examined communication based legitimacy tools, commonly examining the use of corporate social reporting (CSR) communications such as environmental and social disclosures in corporate annual reports, as a legitimating technique. Legitimizing techniques in corporate annual reports have been studied in relation to various legitimacy settings including direct threats to organisational legitimacy (Patten, 1992; Deegan and Rankin, 1999; Patten and Trompeter, 2003; Magness 2006; Brennan and Merkl-Davies, 2014). Research has extended upon this notion to examine the use CSR disclosures, still largely in corporate annual reports, in relation to a range of legitimating factors such as negative media coverage (Deegan, Rankin and Tobin, 2002), environmental group membership (Deegan and Gordan 1996), EPA prosecution (Deegan and Rankin (1996) and environmental performance (Cho and Patten, 2007). Techniques adopted are intended to establish the legitimacy of the organisation.

Research has also examined communication choices in relation to organisational changes such as privatisation (Ogden and Clark, 2005); re-incorporation (Johnson and Holub, 2003), change in operating and regulatory environment (de Villiers and van Staden, 2006), and downsizing and major restructuring (Erkama and Vaara, 2010). A number of studies have examined management of different legitimacy types (Patel and Xavier, 2005; Baugher, 2007; Soobaroyen and Ntim, 2013).

A body of research has also studied isolated incidences of the use of CSR communications and other specific communication based legitimating techniques (Tsang, 2001; Ryan, Dunstan and Brown, 2002; Ogden and Clarke, 2005; Samkin, Allen and Wallace, 2010;

Hasssan, 2014) and structural/procedural based legitimating techniques (Wang 2010; Lasmin 2011; Guerreriro, Rodrigues and Craig, 2014) including collaboration and cooperative arrangements (Fiedler and Deegan, 2007; Huybrechts and Nicholls, 2013; Rueede and Kreutzer, 2015) and isomorphism (Durocher and Fortin, 2010).

From the multiple scenarios examined in the literature, it is evident that organisation may select from a broad range of legitimating techniques. However the manner in which this is done has not been researched, and further legitimating techniques require study (Patel and Xavier, 2005). Although research has moved toward examination of different types of legitimacy and different legitimacy scenarios, its focus is still commonly limited to examining quantities of specific legitimating techniques such as communication used for legitimacy management in relation to specific incidences or scenarios.

### **1.3.3 Gap in the Research**

The literature has acknowledged the possible breadth of legitimacy as a concept; however, the potential of legitimacy theory in explaining and predicting organisational legitimating techniques has not yet been fully explored. Study has been undertaken to observe other legitimating techniques, such as changes in structure, policies and/or procedures in response to legitimating events. Legitimacy management may involve the use of substantive change such as structural/procedural modification, and communication of such changes, and/or the use of symbolic non-substantive communications to change society's view of the organisation and/or work to change the values of society (Ashforth and Gibbs, 1990). However, research has traditionally examined the use of a single technique in relation to an isolated incident.

The literature on organisational legitimacy has also been limited in that it has predominantly studied corporate structures with only some investigation into legitimacy management by not-for-profit charitable organisations (Bezjian, Holmstrom and Kipley, 2009; Daniels, Braswell and Beeler, 2010; Vetergaard, 2014; Odafe, 2015). Research to date on charitable organisations suggests that legitimacy management may present an even greater challenge to these types of organisations (Sutton, Cordery and Baskerville, 2007). This research aims to address these gaps in the literature.

## 1.4 Research Question Development

From examination of the literature on organisational legitimacy, a conceptual framework for examination of the organisational legitimacy management was developed and research questions proposed.

### 1.4.1 Theoretical Framework - Complexities of Legitimacy

Figure 1.1 provides an overview of the theoretical framework developed in this research. This figure is a replication of Figure 2.1 which is presented in Chapter 2. The figure is replicated here to provide a context for the overview of the conceptual framework used in the thesis. This figure is read in a counter clockwise manner. The framework demonstrates that an organisation will examine its legitimacy setting, which is determined by the relationship between the organisation's values and society's values, as influenced by social, political and economic factors faced by the organisation. If a legitimacy event arises, driven by one or more factors or a particular threat of crisis, which affects, or will potentially affect the organisation's legitimacy setting, then the organisation will need to determine whether to act; and if so, decide upon a course of action.

Suchman (1995) highlights the complexity of legitimacy as a concept, consolidating prior literature to classify legitimacy as pragmatic, moral and cognitive. The three types of legitimacy are all grounded in the notion that an organisation's activities are desirable and appropriate within a socially constructed system of accepted norms and values. The framework of legitimacy types and scenarios developed by Suchman is highlighted here to demonstrate the complex organisational legitimacy setting those organisations operate in, which is shaped by the social, political and economic factors at any point in time.

Political factors might include government attitudes, as reflected through regulation. Changes in regulation will affect the legitimacy setting of an organisation. For example, if an organisation fails to abide with legislation, enforcement by regulators may result in legitimacy management needs (Deegan and Rankin, 1996; Islam and Deegan, 2010).

The political environment also reflects, and is influenced by, the underlying social setting and views of the community in which the organisation operates. This social setting comprises social factors driven by consolidated set of values and beliefs reflected in society through legislation, as well as commonly accepted norms which are monitored and potentially modified as a result of public attention (Campbell, 2004), and the attention of individuals or lobby groups who raise issues through avenues such as the public media (Patten, 1992).

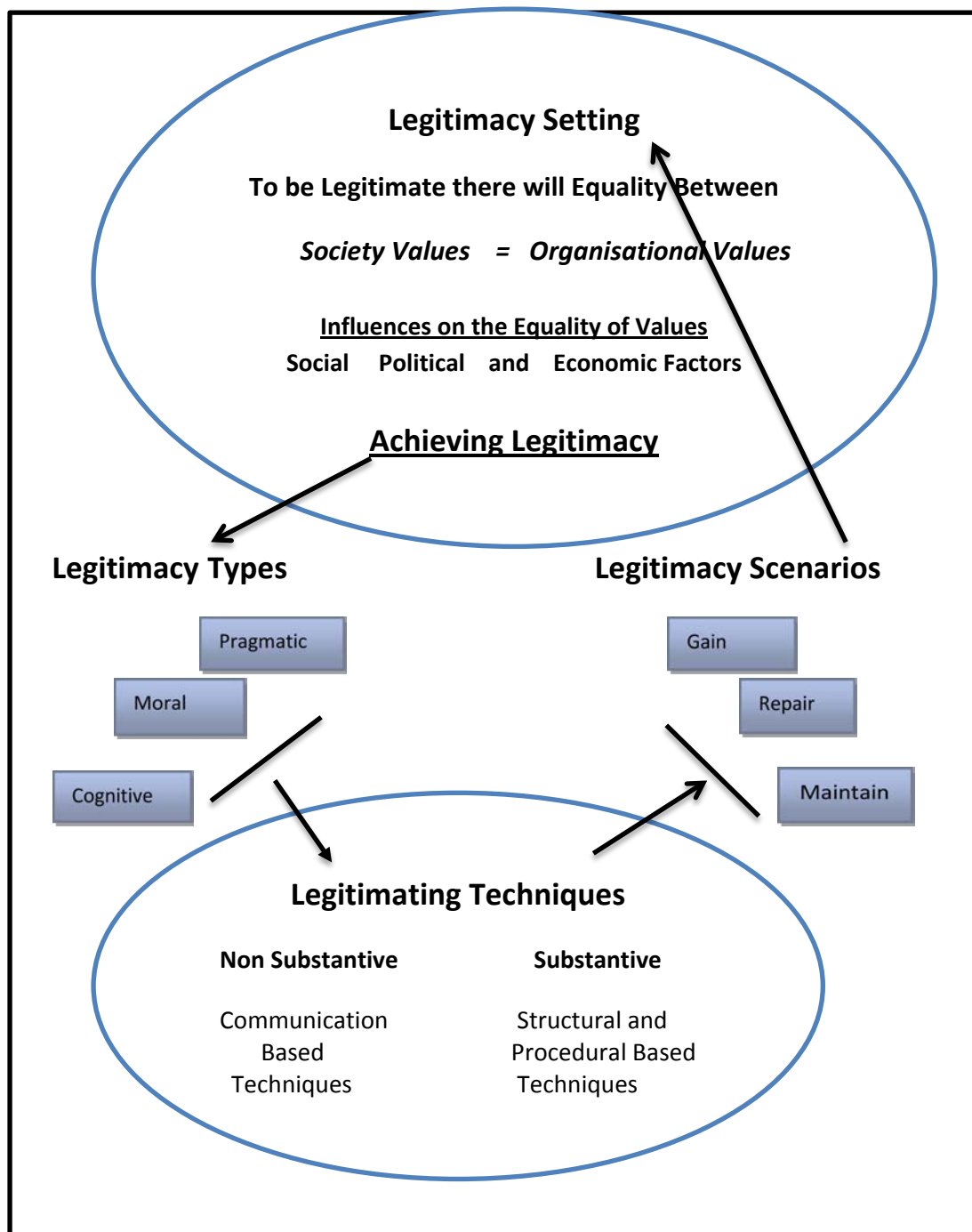
Economic factors arise from the economic environment in which the organisation operates that impact on its legitimacy. Economic factors such as the performance of the organisation (Breton and Cote, 2006), or the general economic environment, will affect the organisation's legitimacy setting. All three factors are important to charitable organisations that directly rely on society for funds, but economic factors will be crucial to the organisation's survival.

As a result of the organisation's legitimacy setting and the presence, and interaction of these factors, the organisation may face different legitimacy scenarios and thus need to gain, repair and/or maintain its legitimacy. The framework incorporates these different legitimacy types and legitimating scenarios identified in the literature, within the overarching setting of society and organisational values (Suchman, 1995).

Depending upon the type of legitimacy being managed, the organisation will select from a toolbox of legitimating techniques to gain, maintain or repair its legitimacy (Suchman, 1995). The organisation will then reassess its new legitimacy setting, to see if it meets some perceived desired state of legitimacy, and chose whether further action is required. The figure depicts the complex and continuous nature of organisational legitimacy management and range of legitimating techniques available to organisations.

The literature has identified use of legitimating techniques in response to legitimacy distress resulting from social, political and economic factors (Soobaroyen and Mahadeo, 2016). Organisations can select from substantive or non-substantive legitimating techniques. For example, the organisation might choose to adopt non-substantive communication based legitimating techniques, to change its legitimacy or change society's expectations, or it might adopt substantive structural/procedural legitimating techniques in addition, or as an alternative to, communication based techniques. If the organisation identifies that a legitimacy gap remains, and further use of legitimating techniques is required, it will again select legitimating techniques based on its assessment of its legitimacy setting. This process is one of continuous reassessment.

**Figure 1.1 Legitimacy Management Cycle – Choosing Legitimizing Techniques**



#### 1.4.2 Research Questions

The aim of this research is to identify legitimacy events that have occurred in the operating environment of the Australian Red Cross (ARC); to observe the use of legitimating techniques by the organisation in response to specific legitimacy events, and over time; and to determine the success of the legitimating techniques observed. Based on this aim, and study of the literature discussed in Chapter 2, three research questions were.



**Research Question 1:** *What legitimating events have occurred in the operating environment of the ARC over the relevant period that could potentially impact its legitimacy setting?*

**Research Question 2:** *Which legitimating techniques were used by the ARC in relation to each legitimacy event to manage its legitimacy setting and work to gain, maintain and/or repair its legitimacy over time?*

**Research Question 3:** *Was evidence observed indicating the organisation successfully managed its legitimacy and positively influenced its legitimacy setting through the use of legitimating techniques?*

Development of the research questions is discussed in Chapter 3. The research questions were studied using a longitudinal case study of the ARC.

## **1.5 Research Method**

### **1.5.1 Overview of Research Design**

This work involves a longitudinal case study of public disclosures made by the Australian Red Cross between the end of WWII in 1945 and 2014. This data was accessible at the national archives of the ARC. The time period was chosen to facilitate observation of multiple legitimacy events and the use of multiple legitimating techniques. It was decided to commence the analysis following the end of WWII as this point represents a break in the organisation's function and accepted purpose. At this point the organisation was potentially faced with the challenge of new beginnings, as the ARC's initial role had been to provide services to soldiers and returned soldiers and their families in times of war, and this changed dramatically with the end of WWII.

Observation of legitimacy events and underlying social, political and economic factors occurring in the ARC's legitimacy setting over time, and corresponding legitimating techniques utilised by the organisation, was undertaken to explore more fully the explanatory value of legitimacy theory in the context of organisational legitimacy management. Examination of a case over time involves collection and evaluation of detailed information and internal factors of the case of interest, as well as the surrounding environment (Neuman, 2011). Therefore, a longitudinal case study was considered appropriate to observe the full breadth of legitimacy concepts and legitimating techniques used, along with the environment they were used in. A qualitative content analysis of the ARC's media articles and annual

reports was performed using the Glaser and Strauss (1967) framework for qualitative analysis, to identify legitimating events and legitimating techniques, and to determine the success of these techniques in managing the organisation's legitimacy setting.

### **1.5.2 Organisational Legitimacy Events and Charitable Organisations**

Charitable organisations rely on legitimacy to secure ongoing access to resources. In Australia, charitable organisations account for 8 per cent of GDP and employ more than 600,000 people (The Australian, 2008). These organisations attract a significant portion of society's resources, and rely on donations as their primary source of income. To ensure continued access to resources, these organisations need to be perceived by the community as being legitimate, and seen as undertaking legitimate activities (Sutton et al, 2007).

Charitable organisations have faced ongoing criticisms about the way publicly donated funds are used (Kahler and Sargeant, 2002), and have faced reduced donations (Margolis, 2001), with potential donors being confronted with competing needs in difficult financial times (Omura and Forster, 2014). Bennett and Gabriel (2003) found that image and reputation strongly influences donor behaviour, and that charitable organisations must therefore develop and maintain a legitimate image and reputation to survive.

Following various charity scams in the 1990s, and ongoing criticisms of charitable organisations, potential donors have increased uncertainty about which organisations they should donate to, and a need to feel certain that the contributed funds will reach those for which they were intended (Abraham, 2007). Criticism about inefficient use of resources has been coupled with highlighted awareness of the administration costs of these organisations. With trends towards more professional structures for charitable organisations, and increasing numbers of paid staff, a desire by donors has arisen to not fund these costs (Strom, 2008). Managing organisational legitimacy has become an increasingly complex and critical task for charitable organisations (Sutton et al, 2007).

Criticism of the distribution of funds and the administration of charitable organisations has cast doubt over the legitimacy of these organisations and their operations. This setting provides motivation to examine a large long running charitable organisation that has successfully managed its legitimate image throughout a range of events over an extended period of time. Charitable organisations may utilise a wide range of legitimating techniques to allow continued access to resources. This research examines a not-for-profit organisation's

management of differing legitimacy scenarios, utilising different legitimating techniques, over time.

### **1.5.3 The Australian Red Cross**

The ARC is one of Australia's longest running large charitable organisations. It was registered in Australia in 1914 as an arm of the British Red Cross, and it had revenue of more than \$1 billion in 2014 (ARC, 2014). The organisation was created to raise funds, and obtain resources, to provide services and relief to soldiers during World War I (WWI) and has evolved and expanded its operations since its inception. Careful legitimacy management throughout a range of legitimacy challenges or events has allowed the organisation's expansion and continued success. Examples of legitimating events include the challenge of gaining legitimacy as a new organisation in Australia in difficult times following the end of WWII in 1945, through to more recent challenges concerning the organisation's use of funds following the Bali Bombings in 2002, the Asian Tsunami in 2004, and the 2009 Victorian bush fires.

The ARC has faced a range of social, political and economic factors creating an array of complex and interesting legitimacy events and subsequent legitimacy settings over time. Direct threats to the ARC, combined with ongoing challenges to charitable organisations, have resulted in a changeable and challenging environment for the organisation to operate in. This provides an appropriate source of study of legitimacy events and legitimisation techniques over an extended period of time.

## **1.6 Results**

Longitudinal examination of media articles and annual reports provided information about legitimacy events faced by the ARC and legitimating techniques utilised by the organisation. The observed legitimacy events were collated into three common themes. Theme 1 relates to ensuring the ongoing role of the organisation. Theme 2 relates to criticisms of the ARC specifically, as well as general criticisms of charitable organisations. Theme 3 relates to ongoing issues and concerns about the management of the organisation's Blood Transfusion Service. A range of communication based, and structural and procedural based legitimating techniques were observed for each theme.

Assertive and emotive narrative communication based techniques were observed across all themes. Increasing use of pictorial legitimating techniques was noted, including photographs,

graphs and tables. Other observed communication based narrative techniques varied in nature and frequency across the three themes. Observed structural and procedural based techniques include review and restructure, along with focus of procedures on accountability transparency and corporate governance. The importance of structural and procedure techniques in organisational legitimacy management was highlighted, providing evidence of successful legitimacy management.

The study confirms and extends past research, demonstrating the use of a toolbox of legitimating techniques over time, and the selection of different techniques depending upon the legitimacy setting faced. It contributes to the literature by developing a list of legitimating techniques that charitable organisations could utilise to manage legitimacy in times of crisis and over time. It also highlights the importance of accountability, transparency and good governance structures for charitable organisations. The results also confirm that legitimacy management is an ongoing and interactive process.

## **1.7 Overview of the Thesis**

This thesis is organised into 9 further chapters which are briefly described here. Chapter 2 provides an overview of the literature on organisational legitimacy, introducing the concept of organisation legitimacy, presenting an overview of its origins in the social sciences, and adaptation to the business literature. The chapter portrays the complex nature of legitimacy introducing legitimacy types and scenarios, and presents an array of possible legitimacy techniques available to organisations.

Chapter 3 presents the theoretical framework developed from the review of literature. The framework demonstrates the complex nature of legitimacy management, embedding the notion of a legitimacy setting influenced by social, political and economic factors. The framework also defines the concepts of legitimacy events, and incorporates multiple legitimating techniques available to organisations for legitimacy management. The concept of a measure of successful legitimacy management was also introduced. The research questions to be addressed in the thesis are presented and discussed in this chapter also.

Chapter 4 describes the research method utilised, discussing the data source and method of analysis. This research involves a longitudinal case study of the ARC examining two primary data sources: media articles and annual reports for the organisation over a 70 year period. Chapter 5 describes the case study, provides an overview of the organisation, and presents the

legitimacy events observed. Legitimacy events were identified as falling into three overarching themes.

Chapters 6 through 8 present the results of the analysis of media articles and annual reports and discussion of the three themes observed. Chapter 6 provides details of Theme 1, and Chapters 7 and 8 provides a discussion of Themes 2 and 3 respectively. Chapter 9 discusses analysis of the success of legitimating techniques adopted by the ARC over time. Indicators of success are discussed for each legitimacy theme developed previously.

Chapter 10 presents the conclusions and discussion in relation to each research question. This chapter also discusses contributions of the research, along with possible limitations and suggestions for future research.

## **Chapter 2: Overview of Literature on Organisational Legitimacy**

### **2.0 Introduction**

Legitimacy theory has been applied to the study of organisations, which have been identified as using legitimating techniques for legitimacy management purposes. Organisational legitimacy is a complex construct with potential for further examination and development. The purpose of this chapter is to define organisational legitimacy, and provide an overview of the development of legitimacy theory in the literature to date. The importance of the organisational legitimacy concept is reflected in the substantial quantity of research of this topic in business related journals.

### **2.1 Concept of Organisational Legitimacy**

Definitions of organisational legitimacy involve the premise that for an organisation to survive there needs to be congruence between the organisation's values, as implied by its actions and communications (Dowling and Pfeffer, 1975) and the values of the larger social system (Suchman, 1995; Dowling and Pfeffer, 1975). Therefore, the organisation's continued existence implies its acceptance of the generalised values of the larger value system or society (Parsons, 1956).

The literature on organisational legitimacy evolved from work in the field of sociology, and later management, which have increasingly focused on the role of organisations in society. Suchman (1995) reviewed early literature on organisational legitimacy, defining organisational legitimacy as:

“... a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995; pp 574)

Organisations can be considered smaller social systems, with shared meaning and values or beliefs (Pfeffer 1981), working toward the attainment of socially acceptable goals (Parsons, 1956) within a larger social system. The study of organisational legitimacy has incorporated concepts from institutional theory, identifying that organisational legitimacy requires a match between the values of the organisation and the values of society to ensure access to resources and survival. Institutional theory is not examined directly in this research, but is reflected to the extent that concepts from institutional theory have been applied to the study of organisational legitimacy.

Early literature on organisational legitimacy focused on the alignment of the organisation's values with the values with society; however, the concept of organisational legitimacy can also be viewed from the perspective of a social contract. Organisations can be viewed as having an implicit contract with the society enabling their existence and continued survival (Dowling & Pfeffer, 1975). Organisations will only be considered legitimate to the extent that their activities are consistent with the goals of the larger social system (Dowling & Pfeffer, 1975) with whom they have implicitly contracted.

Both perspectives require an alignment of the goals and underlying values of the organisation with the values of society. If the organisation's values are not aligned or perceived to be aligned with those of society, then a legitimacy gap will result, threatening the organisation's legitimate image, and potentially limiting its access to resources (Dowling and Pfeffer, 1975). If a legitimacy gap exists then an organisation may adopt legitimating techniques to ensure the legitimacy gap is reduced, potentially ensuring continued access to resources and goodwill (Hybels, 1995).

Legitimate organisations receive loyalty and support (Yuthas, Rogers and Dillard, 2002); however, if an organisation cannot maintain its legitimacy in the eyes of its stakeholders, it may face criticism and sanctions (Yuthas, Rogers and Dillard, 2002) or ultimately, the withdrawal of resources (Sutton, Corderly and Baskerville, 2007). Acquiring and maintaining legitimacy is therefore a critical issue for organisations regardless of how widely recognised or supported they are (Elsbach and Sutton, 1992).

### **2.1.1 Early Literature on Organisational Legitimacy**

Early work on organisational legitimacy such as Clark (1956), Parsons (1956) and Levine and White (1961) drew from concepts in psychology and sociology. This research was largely grounded in the concept of a social theory, and is framed in terms of organisational value, focusing on the manner in which these values are demonstrated through the actions of organisations, and the effects of these actions on social values. Clark (1956) defined social values as being perceptions of what is considered desirable; notions of what should be obtained and how. Clark undertook a case study of value modification used by the adult education movement in California, examining value changes in the organisations to identify how these value changes may shape the value systems of larger society. Clarke contended that if an organisation's values are not grounded in its social base, or if its social values are not acceptable to the larger population, then a legitimacy problem may exist for the

organisation, noting that officials defended adult education organisations through the use of several rationales.

The ideas developed by Clarke (1956) provide some basis for the concepts on organisational legitimacy developed in later literature on the need for congruence between the values of the organisation and society and the strategic use of legitimating techniques for legitimacy management. Organisational legitimacy and values have also been studied in association with the role of organisational goals. Parsons (1956) examined the process of definition and legitimisation of the organisation's goals, studying the manner in which the organisations communicate with society. The author observed that the organisation needs to work to legitimate its goals and demonstrate the primacy of its goals over other possible goals. In addition, the organisation legitimates its operations through policy choice and resource allocation decisions.

The literature contends that an organisation is never stagnant, not only moving with society, but at times responsible for shaping society's values and providing input and momentum into value changes. Parsons (1956) acknowledged the interactive role of the organisation within society discussing the integration of the organisation with other organisations, and within the larger social system. However, the focus of research on organisational legitimacy shifted towards a more strategic approach, studying the organisation more as a participant in society that strategically adopts particular techniques to manage its legitimacy. Although, the literature that follows acknowledges the interactive and evolving nature of the organisation, it generally has not fully captured this notion. Building upon early works on organisational legitimacy, the focus shifted to study of the effect of organisational legitimacy on the availability of resources and the concept of exchange.

#### **2.1.1.1 Organisational Legitimacy and Exchange**

Levine and White (1961) provide one of the earliest examples of the study of legitimacy and exchange. The authors undertook an inter-organisational study, involving examination of a set of health organisations of varying structures in New England, US. The research adopted the perspective that legitimacy is necessary to ensure organisational exchange agreements, and can be created and maintained to allow the organisation to operate. The authors identified that agreement on a common ground or domain is a prerequisite for exchange, and organisational legitimacy will be necessary for this agreement to exist. This view of legitimacy as necessary to ensure access to resources underlies much of literature on



legitimacy that follows which assumes that organisations will manage their legitimacy in a strategic manner when it is threatened or challenged in some way to ensure they have continued access to resources.

The concept of exchange was adopted in subsequent research on organisational legitimacy in the field of management. Management literature on organisational legitimacy drew on concepts on capitalism and political science (Schulsberg, 1969) but also incorporated and extended upon the earlier works from sociology on legitimacy. Terreberry (1968) studied legitimacy discussing its role in the evolutionary process, arguing that organisational change is externally induced, and thus needs to be studied in the context of its environment.

Schulsberg (1969) provides an example of a very early paper on corporate legitimacy and social responsibility. He argued that legitimacy requires a high level of consensus between the values of a corporation and society or a willingness by society to accept the values of the corporation, discussing the difference between market motivations for social responsibility and social integration or legitimacy management motives.

Research on organisational legitimacy became increasingly popular from the late 1960's, particularly in business journals, with a quantity of literature developed contending that organisational legitimacy provides explanations for interactions and relations between members of society (Hybels, 1995), providing insight into legitimating techniques used by different organisations and structures (Stryker, 1994). The notion that legitimating techniques are utilised by organisations to manage their image became an increasing focus of the literature that followed.

In the 1970's work such as Perrow (1970), Dowling and Pfeffer (1975) and Pfeffer, (1981) incorporated and expanded upon concepts of organisational legitimacy and legitimating techniques. These papers were critical to the development of legitimacy theory, providing a foundation for subsequent works on organisational legitimacy across various fields of research. The early papers worked to develop a theoretical base for the empirical study of legitimating techniques.

Perrow (1970) presented a theoretical discussion of the ways an organisation may become legitimate, arguing that organisations may utilise a range of legitimating techniques such as adapting the organisation's goals and outputs to conform to society's expectations. He also suggested that organisations will use communication to manage their legitimacy. They may

use their communications to become associated with existing symbols and values that are considered legitimate, or they may work to change the values of society. This work provided a starting point for later works such as Dowling and Pfeffer (1975) that tested these proposals empirically.

Dowling and Pfeffer (1975) supported their theoretical discussion of the concept of organisational legitimacy with a case study of the American Institute for Foreign Study. The authors set out to observe legitimating techniques utilised by the organisation in response to a range of legitimacy events. Building on previous works, the authors contend that an organisation will appear, or perceive itself, to be legitimate when it's implied social values, represented by its communications and/or actions are congruent with society's social values and norms. They argue that if the organisation's implied social values do not match those of society, then the organisation may face challenges or threats to its legitimacy.

The authors identify potential threats or challenges organisations may face, arguing they may take the form of lawsuits or more general economic threats. They presented a discussion of a range of possible legitimating techniques that may be utilised by organisations when faced with legitimacy threats or events. Legitimizing techniques used by organisations may thus include the use of legitimating communications, changes in goals and structure and/or policy, and techniques that aim to identify the organisation with existing legitimate structures and symbols.

The literature to date has used many different terms to refer to tools available for legitimating including techniques, tools, strategies and behaviours. This study uses the term legitimating technique to refer to any tool or method used in the management of the organisation's legitimate image. The term was chosen as it is considered broad enough to incorporate the many types of legitimating behaviours and tools utilised by organisations for legitimacy management purposes.

#### **2.1.1.2 Legitimacy Management – Subsequent Literature**

Subsequent research in the field of sociology on organisational legitimacy strived to better understand the concept of organisational legitimacy and legitimacy management. Pfeffer (1981) drew together the literature and provided a theoretical paper on organisational legitimacy discussing the organisational structure and the relationships that exist within organisations. Dual strains were identified in the literature. The first strain of literature focused on how organisations exist within society, and are controlled by society. The second

strain focused on the development of the organisation from within, observing the effects of internal direction, strategic choices and the effects of decision making by individuals within the organisation. This work observed that the organisation is constrained by its environment and also shaped by the norms, values and expectations of the individuals within the organisation.

Ashforth and Gibbs (1990) added to the discussion on organisational legitimacy and legitimisation techniques, observing that organisations may use a range of legitimating techniques under various legitimacy scenarios. The authors also introduced the possibility that the use of legitimating techniques may backfire and actually decrease the organisation's legitimacy. They argue that organisations are often answerable to, and pressured by a variety of constituents, and thus may face contradictory or conflicting expectations making legitimacy difficult to operationalise.

By the mid-1990s a quantity of research on organisational legitimacy and legitimacy techniques had been produced in the fields of sociology and management. The literature up to this point had collectively developed an understanding of how legitimating techniques might be used for management of organisational legitimacy. At this point efforts were made to consolidate the past works and provide some direction for future research. Two major contributors to this process were Hybels (1995) and Suchman (1995). These authors provided a theoretical examination of organisational legitimacy, presenting critical reviews of the concepts of legitimacy and organisations, as applied in the field of sociology and management to that point.

Suchman (1995) demonstrated the complex nature of organisational legitimacy, proposing categories of legitimacy types and scenarios that could occur in an organisation's legitimacy setting, influencing its choice of legitimating technique(s). Subsequent literature in management has examined aspects of legitimacy management with some focus on the environment, including the use of discourse in environment management (Prasad and Elmes, 2005) and corporate social reporting (Rattanjongkol, Davey and Low, 2006), including a range of environmental disclosures (Kuo and chen, 2013).

Management literature has looked at the effect of a negative CSR record on organisational legitimacy and the corresponding need to invest in political strategies to legitimate new standards (Alakent and Ozer, 2014). Other aspects of environment and legitimacy

management have been explored in the management literature including the effects of the global financial crisis (Laivi and Oobik, 2014; Sulaiman, Abdullah and Fatima, 2014) and corporate governance (Setia, Abhayawansa, Joshi, Huynh and Vu, 2015). The literature has extended to other aspects of legitimacy management involving CSR programs, including philanthropy and sponsorship and personnel engagement in the legitimacy management of sports based entities (Bason and Anagnostopoulos, 2015).

Other narrative based disclosures have been examined in the management literature including information on foreign activities (Tsang, 2001) and website disclosures (Singh and Point, 2009). Organisational aspects such as the role of Environmental Management Systems (EMS) audit (Taylor, Sulaiman and Sheahan, 2001), design and control in public sector networks (Grafton, Abernethy and Lillis, 2011), industry collaboration (Fielder and Deegan, 2007), and the study of legitimacy management by new business ventures (Payette, 2014), have been examined. Board characteristics (Perrault and Mchugh, 2015), Board legitimacy management and strategic management of standards (Durocher and Fortin, 2010) have also been considered in the management literature.

## **2.2 Consolidating the Literature – Legitimacy Types and Scenarios**

The reviews by Hybels (1995) and Suchman (1995) criticised the literature up to this point identifying the literature as having a surprisingly fragile conceptual base, with many studies failing to define legitimacy adequately. Hybels (1995) presented a critical and largely theoretical review of concepts on legitimacy and legitimation. He suggests an understanding of the roles played by particular organisations needs to be obtained through study of those organisation's actions. Hybels (1995) contends that legitimation results in a flow of resources to an organisation and de-legitimation results in an outward flow of resources from an organisation, but rejects Dowling and Pfeffer's (1975) view of organisational legitimacy as ensuring resource allocation. Hybels (1995) highlights the complex nature of organisational legitimacy, arguing that research needs to look deeper to observe how legitimacy becomes abstractly constructed as a result of the resource allocation and exchanges processes.

Suchman (1995) argues that legitimacy, as a concept, is a complex construct. The author consolidated past literature on organisational legitimacy, providing an overview of definitions and approaches to the study of legitimacy management. His definition of legitimacy is based on the alignment of organisations' values with societal values. He adopted a broad and

inclusive definition of legitimacy, stating that differences in definitions have implications for the application of the theory. A broad definition allows an all-encompassing approach to legitimacy to be taken, in which the full breadth of the legitimacy concepts can be fully considered. Suchman (1995) highlighted common strains in the literature, contending that various definitions and approaches to legitimacy had been embraced without acknowledging the fact that the concept of organisational legitimacy is complex.

Suchman (1995) extended upon Pfeffer (1981), also observing two main approaches in the literature, categorising research on organisational legitimacy as strategic or institutional in approach, identifying three types of legitimacy (pragmatic, moral and cognitive legitimacy), and three types of legitimating scenarios (to gain, maintain or repair legitimacy). Suchman (1995) identifies legitimating techniques that might be utilised by organisations under each legitimacy type and scenario combination. The authors proposed framework for studying organisational legitimacy provides insight into the potential breadth and complexity of organisational legitimacy as a concept. A brief overview of these concepts is presented next, starting with the distinctions in the literature of strategic versus institutional approaches to the study of organisational legitimacy. This is followed by an overview of legitimating techniques observed in the literature to date.

### **2.2.1 Strategic Versus Institutional Approaches to Legitimacy**

Suchman (1995) observed that strategic based research generally assumes a high level of control over the legitimisation process. This approach predicts that recurrent conflicts between an organisation's preference for flexibility and control will occur, assuming that constituents or stakeholders will have a preference for substantive techniques (Suchman, 1995). From a strategic perspective, legitimisation is purposive and calculated. Legitimacy can be viewed as an organisational resource to be controlled by management. Research that adopts this view includes works from the field of management, such as Pfeffer (1972; 1981), Dowling and Pfeffer (1975) and Ashforth and Gibbs (1990).

Adopting an institutional approach, researchers depict organisational legitimacy as a set of constitutive beliefs. Organisations do not extract legitimacy from the environment; external institutions construct and interpenetrate the organisation. Under this approach, cultural constructs determine how the organisation is built, run, understood and evaluated (Suchman, 1995), and the interactive role of the organisation in changing society is acknowledged. Research adopting a more adaptive institutional approach was observed in the sociology

literature and includes works such as DiMaggio and Powell (1991, 1993), and Meyer and Rowan (1991).

Hybels (1995) maintains that society is constantly changing and comprises multiple structures. As these structures and the dynamics between them change, legitimacy also changes. These ideas are consistent with Suchman's (1995) arguments, and both authors agree that legitimacy is socially constructed and is thus created through an exchange process. Organisational legitimacy is therefore dependent upon the interaction of the organisation and society. This interaction results in evolution of values and legitimacy. Suchman (1995) acknowledged the interactive and complex nature of organisational legitimacy as a concept along with the strategic management of legitimacy within his framework of legitimacy types and scenarios.

### **2.2.2 Types of Legitimacy Identified in the Literature**

Suchman (1995) indicated that organisations need to first gain, and then maintain and if they are unable to reflect changing societal expectations to act to repair legitimacy. Suchman (1995) suggests that to take action, there are three types of legitimacy that might need to be managed, being: pragmatic, moral and cognitive legitimacy. They rely on a general assumption that the organisation's activities need to be desirable, proper or appropriate within a socially constructed set of values for the organisation to be considered legitimate. Each category of legitimacy, however, rests on different relationship dynamics between the organisation and constituents, resulting in different legitimating technique choices by the organisation.

Pragmatic legitimacy relates to the self-interest of the organisation's constituents. Constituents are involved in organisations because they receive a direct benefit from their involvement. This may involve a direct exchange between the parties or there may be broader political, economic or social interdependencies where the organisation affects the audience's wellbeing. The target audience or constituents have an interest in scrutinising the organisation's technique to determine any consequences for themselves. Early research in sociology and management, such as Dowling and Pfeffer (1975), Emerson (1961) and Terreberry (1968), examine legitimacy as a process of exchange, with varying degrees of focus on the importance of the exchange process adopting what might be considered a pragmatic view of legitimacy. Terreberry (1968) argues legitimacy is equivalent to economic exchange.

Dowling and Pfeffer (1975) dispute this, arguing that a lack of legitimacy leads to economic sanctions, but not that economic exchange is identical to legitimacy. Nevertheless, a lack of legitimacy is usually held to result in a reduction of resources and the effective demise of an organisation (Sutton et al, 2007). However, the question of exchange is important and Suchman (1995) identifies two further aspects of pragmatic legitimacy – influential and dispositional. The former occurs when constituents support an organisation not only because of specific favourable exchanges but because they view the organisation as responsive to their larger interests. The latter relates to the concept of an organisation being regarded as having its own goals and ‘personality’. Under this view, constituents provide legitimacy to those organisations that share the values of the constituents and are seen to have their best interests at heart.

The second form of legitimacy identified by Suchman (1995) is moral legitimacy. The concept of moral legitimacy is grounded in the idea that an organisation needs normative approval for its actions and for its continued existence. Moral legitimacy is based on judgments by society relating to what they perceive is right or moral in promoting the welfare of society as a whole, rather than whether they are benefited by the organisation’s actions. Suchman (1995) argued that moral concerns generally prove more resistant to self-interested manipulation than do purely pragmatic considerations. The third form of legitimacy identified by Suchman (1995) is cognitive legitimacy. This category of legitimacy involves observations by the audience that the organisation is accepted as necessary and inevitable. Society takes the organisation for granted, and has an understanding of its importance and purpose.

From this perspective, it is possible to operationalise the ideas of gaining, maintaining and repairing legitimacy. Adopting examples from the literature, Suchman (1995) distinguishes between the need for companies to seek active support or be passive participants in society, noting that at particular times they will need to act proactively to gain legitimacy, or reactively to protect or repair their legitimacy. If an organisation wants to avoid the interference of a particular audience, it may not need to be proactive (Suchman, 1995) but act in ways necessary to maintain their current level of legitimacy. On the other hand, an organisation may choose to be proactive, acting to manage its legitimacy before a legitimacy gap occurs.

An organisation's perceived need for legitimacy will change over time, and its legitimacy setting will be dependent upon the type of legitimacy being sought, and the legitimacy scenario it is facing. Thus the organisation will need to assess its legitimacy setting, and decide how to respond, or whether to respond at all. Suchman (1995) identified legitimating techniques available to manage each type of legitimacy, depending upon whether the organisation needed to gain, maintain or repair. This study will add to Suchman's (1995) work by considering an extended range of legitimating techniques and combinations of techniques that were collated from the extensive research on individual legitimating techniques previously undertaken in the field of business.

### **2.3 Application of Literature to Business Studies**

A review of the literature on organisational legitimacy identified an increasing quantity of literature in business journals that have adopted legitimacy theory for the study of legitimacy management by organisations. The examined literature was categorised and used to construct Appendix A: Tables 1-7. The nature of the search focused on literature on organisation legitimacy in business related journals. This is appropriate because of the reliance of legitimacy theory to explain organisational behaviour in business research. Review of this literature identified common themes and divisions. The most obvious theme in the literature was a dominant focus on the role of Corporate Social Responsibility (CSR) disclosures in legitimating management. Table 2.1, below, provides a summary of papers observed in business journals, highlighting the CSR split in the literature.

Twelve papers had been published on organisational legitimacy by 1999, with eight of these papers being CSR based. In the next decade, there was a flourish of interest in this field with a further forty eight papers being published. The majority of those papers (twenty eight) were still based on CSR related issues. From 2010 to 2015, eighty four papers were published on organisational legitimacy in business based journals. However, half of these papers were focused on non CSR based legitimating techniques.



***Table 2.1: Literature on Organisational Legitimacy in Business related Journals***

| <b>Time Period</b> | <b>Total No. of Papers</b> | <b>CSR* Based Papers</b> | <b>Non CSR* Based Papers</b> |
|--------------------|----------------------------|--------------------------|------------------------------|
| <b>Pre 1990</b>    | 1                          | 1                        | 0                            |
| <b>1990 – 1999</b> | 11                         | 7                        | 4                            |
| <b>2000 – 2009</b> | 48                         | 28                       | 20                           |
| <b>2010 – 2015</b> | 84                         | 42                       | 42                           |
| <b>TOTAL</b>       | 144                        | 78                       | 66                           |

\*Corporate Social Responsibility

The use of legitimacy theory to study organisational behaviour has become increasingly prominent in the literature, with half of the works observed in business related journals produced in the six year period from 2010 to 2015. Table 2.2 provides a breakup of the literature observed over this time period, highlighting an increasing interest in this area up to and including 2013, with an apparent decline in 2015. This period shows a continuing interest in CSR related organisational legitimacy related research.

***Table 2.2: Literature on Organisational Legitimacy in Business related Journals 2010-2015***

| <b>Time Period</b> | <b>Total No. of Papers</b> | <b>CSR* Based Papers</b> | <b>Non CSR* Based Papers</b> |
|--------------------|----------------------------|--------------------------|------------------------------|
| <b>2010</b>        | 17                         | 7                        | 10                           |
| <b>2011</b>        | 9                          | 2                        | 7                            |
| <b>2012</b>        | 4                          | 2                        | 2                            |
| <b>2013</b>        | 17                         | 10                       | 7                            |
| <b>2014</b>        | 23                         | 12                       | 11                           |
| <b>2015</b>        | 14                         | 9                        | 5                            |
| <b>TOTAL</b>       | 84                         | 42                       | 42                           |

Themes were observed in the literature. Many studies examined CSR and organisational legitimacy, but the literature branched out over time. Themes identified in the literature are discussed below.

### **2.3.1 CSR Based Research**

In total, seventy eight of the one hundred and forty four papers on organisational legitimacy identified in the business literature adopted a CSR based approach to studying organisational legitimacy, with fifty five of these papers being primarily CSR disclosure based studies. Some possible reasons for this exist. CSR has been defined in terms of a commitment by a business to behave ethically and contribute to economic development, whilst also improving the lives of its workforce, the community and society at large (Moir, 2001). During the 1960s and 1970s, perceptions of business changed, and the concept of social performance gained importance (Patten, 1992). Attention moved from a focus on corporate performance in terms of profitability to the social and environmental impact of organisations (Gibson and O'Donovan, 2007). This changing environment of increased societal concern and regulation provided a driver for research into CSR disclosures.

#### ***2.3.1.1 CSR Based Research on Communication Based Legitimizing Techniques***

A quantity of literature examined communication based legitimizing techniques; predominantly focusing on the use of CSR based disclosures for legitimizing purposes. Examples of CSR reporting that have been identified in the literature include the provision of information on employee benefits, occupational health and safety, workplace safety, community contributions, and the environmental consequences of their business operations (Moir, 2001).

The provision of CSR disclosures, in particular environmental information, has been voluntary and has varied in quantity (Gibson and O'Donovan, 2007), increasing steadily over time. Environmental disclosures had been relatively low until a notable increase in the late 1980s (Campbell, 2004). The increasing presence of voluntary CSR disclosures in corporate documents such as annual reports, along with the development of reports devoted to the environment such as sustainability reports, raised the question of why organisations were providing this information. Much research has been devoted to answering this question, and voluntary CSR disclosures have been identified as being used for legitimizing purposes (Kent and Zunker, 2013).

CSR disclosures, particularly information on corporate social and environmental responsibility, have been interpreted as providing a method of responding to changing perceptions of corporation's stakeholders (Patten, 1992) to assist the management of organisational legitimacy. Corporations have been identified as needing to manage their

legitimacy following an event which causes a legitimating crisis that can be directly linked to the organisation, such as the Exxon Valdez oil spill in Alaska in 1989. The Alaskan oil spill had a significant impact on the surrounding environment and was publicised worldwide, potentially threatening the legitimacy of corporations in this industry. The use of CSR disclosures, as a legitimating tool was highlighted by Patten (1992) who observed a significant increase in environmental disclosures by corporations within the petroleum industry after the crisis, suggesting the disclosures changes were made in an effort to repair damage to their legitimacy.

The use of CSR information in corporate annual reports has been identified as an attempt to legitimise the actions of the organisation by aligning the organisation's goals and values with those of society (Gibson and O'Donovan, 2007) and to meet calls for corporate accountability and responsibility. Legitimacy theory is used to explain the increasing incidence of stand-alone CSR reports produced by companies (Thorne, Mahoney and Manetti, 2014; Belal and Owen, 2015).

Research on organisational legitimacy has extended to focus on a range of CSR disclosures and related topics such as performance (Cho, Freedman and Patten, 2012), greenhouse gas emission disclosures (Liesen, Hoepner, Patten and Figge, 2015) and carbon footprint related disclosures (Hrasky, 2012). The breadth of CSR disclosures has been observed as increasing over time (Cho, Michelon, Patten and Roberts, 2015) and has been studied in relation to changes in the operating environment of the organisation (Kuo and Chen, 2013), ownership form (Meng and Tam (2013), and changes in regulation (Chelli, Richard and Durocher, 2014).

The literature has expanded further to study communication based legitimating strategies used by companies to report negative aspects of CSR performance (Hahn and Lulfs, 2014). With increased focus on organisational governance, legitimating research has examined the relationship between corporate governance and CSR disclosures (Khan, Muttakin and Siddiqui, 2013) and changes in integrated reporting requirement under corporate governance regulation in relation to legitimacy (Setia, Abhayawansa, Joshi and Huynh, 2015). Corporate governance and the use of voluntary employee related CSR information in annual reports has been identified as used for legitimacy purposes (Kent and Zunker, 2013; Chan and Watson, 2014).

Recent research has worked to acknowledge the use of multiple CSR disclosures for legitimating with development of a toolbox of CSR communications (Seele and Lock (2015).

### *2.3.1.2 CSR disclosures and legitimacy events*

A quantity of work on CSR disclosures under public pressure and threatened legitimacy was observed (Patten, 1992; Deegan and Rankin, 1999; Magness, 2006), measuring attributes such as media attention (Patten, 1992; Brown and Deegan, 1998; Islam and Deegan, 2008), negative media concern (Deegan, Rankin and Tobin, 2002), pressure group influence (Tilt, 1994) or lobby group membership (Campbell, 2004), and public pressure (Clarke and Gibson-Sweet, 1999). The literature has also studied the use of disclosures in relation to increased public pressure from higher levels of public presence and high visibility (Branco and Rodrigues, 2006; Branco and Rodriggues, 2008) and government pressure (Islam and Deegan, 2008).

Research has expanded to capture a range of aspects of CSR disclosures (Siddique, 2009). For example, the selective use of positive rather than negative CSR disclosures has been noted (van Staden and Hook, 2007; Islam and Deegan, 2010). The literature has also studied the use of rhetoric as a legitimating technique in relation to CSR (Brennan and Merkl-Davies, 2014). A range of disclosure media has also been studied, including all environmental reporting (Tilt, 1994; van Staden and Hooks, 2007), website disclosures (Branco and Rodrigues, 2006; Branco and Rodrigues, 2008, Cho and Robin, 2010, Breton and Cote, 2006; Cho, Phillips, Hageman and Patten, 2009), K10 reports (Cho and Patten, 2007), advertisements (Chung, 2010) and sustainability reports (Dragomir, 2010; Hrasky, 2012)

Research has studied the use of CSR disclosures for legitimization in industries with high social and/or environmental risk (Tilling and Tilt, 2010; Miller and Michelson, 2013). Research has also extended to other types of corporate bodies such as banks (Branco and Rodrigues, 2008; Breton and Cote, 2006; Islam and Mathews, 2009; Farook, Hassan and Lanis, 2011). Combinations of CSR disclosures and threats to legitimacy continue to be examined (Buccina, Chene and Gramlich, 2013; Soobaroyen and Ntim, 2013; Noronha, Leung and Lei, 2015) and the work has moved on to examine other CSR based legitimating disclosures.

### *2.3.1.3 Other CSR disclosures, other variations, theoretical extensions and comparisons*

Expansion of research on organisational legitimacy to include factors affecting management's legitimacy choices was observed (O'Donovan, 2002) along with evidence of the alignment of legitimacy choices and actual legitimating disclosures (Wilmshurst and Frost, 2000). The relationship between legitimating environmental disclosures and other items such as

discretionary accruals (Patten and Trompeter, 2003), environmental capital spending disclosures (Cho, Freedman and Patten, 2012), coalition membership (Higginson, Sommons and Warsame, 2006) and adaption of the Equator Principles (Hui and Bowrey, 2008) have been investigated. Differences in organisational characteristics such as size and industry (Adams, Hill and Roberts, 1998), the level of carbon intensity of the organisation (Hrasky, 2012), and the surrounding political environment (de Villiers and van Staden, 2006) have been studied in the context of legitimacy management.

The research has increasingly incorporated multiple theoretical perspectives along with legitimacy theory to explain the role of CSR in legitimization. Woodward, Edwards and Birkin (2001) incorporate interviews to examine the explanatory power of a range of theories including legitimacy theory relating to CSR techniques by corporations. Experiments have been used to collect information concerning the perceived power of CSR to manage legitimacy (Milne and Patten, 2002). Cho, Phillips, Hageman and Patten (2009) used an experiment to identify if CSR web disclosures assisted the organisation in creating an impression of trusting intentions. Other aspects of CSR and its legitimating effects, such as the use of charitable donations (Chen, Patten and Roberts, 2007), have been studied.

Variations on CSR based legitimating techniques include exploration of corporate governance and underlying theory related to sustainability risk management (SRM) (Aziz, Manab and Othman, 2015) and the relationship between corporate image and reputation using legitimacy theory (Martinez and del Bosque, 2014; Koca-Helvaci, 2015). CSR initiatives have been identified as impacting on corporate reputation directly, and increasing CSR initiatives in corporate communications are consistent with the goal of gaining public legitimacy and corporate governance (Abdullah and Aziz, 2013). The effects of regulation such as the Sarbanes-Oxley Act (2002), and the use of management communications have been examined (Cheung, 2014). The nature of legitimating techniques, and whether they are conservative or utilitarian, has been examined (Bessiree and Onnee (2010). Further, the controversial nature of particular industries of operation, and CSR and legitimacy, has been studied (Blanco, Guillamon-Saorin and Guiral, 2013) in a broader CSR context.

#### ***2.3.1.4 Comments on CSR Disclosure Literature***

Much research has been undertaken on the study of CSR and legitimacy. Support has been found for legitimating motives for corporations providing increased CSR disclosures in studies such as Patten (1991, 1992), Deegan and Rankin (1999), Brown and Deegan (1998).

Not all findings are consistent however (Guthrie and Parker, 1989). For example, Murphy and Aberysakaera (2008) identified support for some legitimating disclosures but not all. Adams, Hill and Roberts (1998) did not find support for differences across countries. Decreases in CSR disclosures have also been identified as being used for legitimating purposes (de Villiers and van Staden, 2006).

Attempts to address criticisms of the literature for not incorporating the views of management can be seen in research such as Deegan and Rankin (1999), Wilmshurst and Frost (2000) and O'Donovan (2002). To highlight the continued importance of CSR type disclosures, Deegan and Rankin (1997) conducted a survey of annual report users, concluding that environmental information is considered useful to decision makers. Wilmshurst and Frost (2000) used a questionnaire to identify factors motivating environmental disclosures by managers comparing this information with actual annual report disclosure practices, supporting legitimating motives of disclosure. O'Donovan (2002) used interviews of corporate executives to identify disclosure choices by management under a range of corporate legitimating vignettes, also finding support for legitimacy theory.

Although early works frequently focused on CSR as a legitimacy management technique, research has expanded to some extent to cover other perspectives on organisational legitimacy and a broader range of legitimating techniques.

### **2.3.2 Other Works on Organisational Legitimacy**

Non CSR literature examined was categorised by research question. Early literature was predominantly disclosure based with later research increasingly focusing on a broader range of legitimating techniques.

#### **2.3.2.1 Non CSR literature – Communication (disclosure) Based**

Non-CSR literature that has examined a range of narrative and non-narrative communication based legitimating tactics. The nature of narratives has been considered in the literature, and efforts made to incorporate a range of aspects of narratives used for legitimating purposes. Erkama and Vaara (2010) studied the rhetoric of disclosures in the context of corporate closure. Laine (2009) completed a longitudinal rhetoric analysis of the annual report narratives of a Finnish corporation, identifying the rhetoric used to respond to institutional pressures and legitimate the corporation.

Other narrative techniques have also been studied. Archeir, Crawford, Larrinaga and Husillos (2009) observed narrative legitimisation techniques used to legitimise new production processes, working to change the views of society. Their study broadens the focus of legitimacy to identify the power of the organisation to change the environments around it. This is one of the few papers that attempt to incorporate the interactive relationship between the organisation and society. However the literature has more recently worked to incorporate this notion.

Hasbani and Breton (2013) studied the use of semiotic tools observing that some narratives are designed to protect legitimacy, but the rhetoric largely works to maintain legitimacy in front of stakeholders, and on occasions it is used to restore legitimacy. Joutsenvirta (2013) examined discursive processes through which heavily contested executive pay schemes were constructed as legitimate in public, identifying five legitimisation strategies through which social actors contested the schemes and constructed subject positions for managers, politicians and citizens. This study highlights a change in moral reasoning as they adapt justifications to changing social context, and shows how discursive strategies are used to legitimise business activities can shift quickly as a result of changes in social and political climate.

Sidani and Showail (2013) examined the impact of religious discourse on organisational change, and identified ways that organisations can engage constituents with the organisation, to give legitimacy to a company's initiatives. Boiral (2015) studied strategies used to demonstrate accountability for biodiversity and legitimise impact through the use of neutralisation to explain or defend their legitimacy, deny they have any impact, distance themselves from the impact of their actions, and play down their responsibility.

Other disclosure choices for legitimisation include integrated reporting (Bommel (2014) and voluntary disclosures (Conway, O'Keefe and Hrasky (2015), along with accounting disclosures (Daniels, Braswell and Beeler, 2010), annual reports (Ryan, Dunstan and Brown, 2002; Watts, McNair and Baard, 2010), and risk related disclosures (Oliveira, Rodrigues and Russell, 2011; 2013).

Aspects of annual report usage for legitimating purposes have also been studied. Ryan, Dunstan and Brown (2002) observed that the annual reports and the entry to Annual Report Awards were used for legitimising purposes by Queensland public sector organisations. Daniels, Braswell and Beeler (2010) studied the Charleston Orphanage, discussing the role of

accounting in legitimating a new charitable organisation. Watts, McNair and Baard (2010) studied the preparation of annual reports by Australian Universities, concluding that the use of annual reports by the universities was found to be symbolic: They were produced when required by the government, but discontinued otherwise, indicating that their use was only for legitimating purposes.

The use of intellectual capital disclosures as a legitimating technique has been examined (An, Davey and Eggleton, 2011). Luke, Barraket and Eversole (2013) examined the use of quantifiable performance measures such as social return on investment (SROI) in social enterprises. Canny (2014) identified that the disclosure of philanthropic donations contributions are used for legitimating purposes. The adoption of IFRS based accounting by unlisted companies is used a legitimating technique (Guerreriro Rodrigues and Craig, 2014) along with capital reporting (Abhayawansa and Azim, 2014).

The examined literature demonstrates that in the second full decade of literature on organisational legitimacy in business, effort has been made to expand research on organisational legitimacy beyond CSR to a range of communication based techniques, and that each technique is predominantly studied in isolation.

#### ***2.3.2.2 Non CSR Literature – Other Legitimizing Technique Choices***

A quantity of literature has examined a range of structural and procedural based legitimating techniques. Organisational structure choice and change has been identified as a potential legitimating technique (Grafton, Abernethy and Lillis (2011), as well as corporate restructure following detection of fraud within the organisation (Wang, 2010). Policy and procedures can be used for legitimating purposes: For example, environmental management systems audit function and certification process can provide legitimating benefits to the firm (Taylor, Sulaiman and Sheahan, 2001). Audit arrangements in the public sector might be undertaken for legitimating purposes (Colquhoun, 2013).

The role of accounting in legitimation has been observed. Nahapiet (1988) conducted a case study of resource allocation and accounting in a health care organisation, presenting a discussion of the role of accounting in change and establishing legitimacy. Irvine (2002) examined the role of financial statements in legitimation. Carmona, Ezzamel and Gutierrez (1998) examined the role of accounting in legitimating a tobacco company. Organisational policies, including accounting policy and procedure choice, have been identified as potential



legitimizing techniques, as have budget and performance management (PM) practices (Fowler, 2009). Soobaroyen and Sannasee (2007) observed that internal financial planning and control practices are used to convey a message of rationality to manage legitimacy, and Bezjian, Holmstrom and Kipley (2009) contend that a managerial mindset and resource management are important for legitimacy management.

The role of collaboration and cooperation in legitimating has also been examined. Fiedler and Deegan (2007) studied collaboration between the members of the Australian building industry and environmental groups, concluding that collaborations are motivated by a desire to align with organisations with green credentials and enhance their legitimate image. Irvine (2007) studied the use of consultants by a not for profit organisation, concluding that the use of consultants is undertaken as a legitimating tool. Bowrey (2008) examined the corporate governance practices of a set of Australian statutory government authorities, concluding that the adoption of private sector corporate governance policies, such as board independence, may be undertaken for legitimacy purposes.

Legitimizing techniques, such as associating the organisation with legitimate organisations and symbols, have also been studied. Durocher and Fortin (2010) examined legitimacy management techniques in publicly available documents of the Canadian Accounting Standards board. They identified that the organisation used symbolic legitimacy management techniques such as isomorphism to manage their legitimacy. Lasmin (2011) studied the adaption of IFRS by countries around the world determining that IFRS was adopted in developing countries for legitimating reasons.

The literature has also examined regulation and legitimacy. Seidl, Sanderson and Roberts (2013) studied the value of legitimacy theory in explaining deviations from codes of corporate governance across countries. They observed the role of underlying logic and different discursive legitimacy tactics such as context specific justification, principled justification, and deficient justification in legitimation. The use of further legitimating techniques by organisations in controversial areas of operation has been studied: Reast, Maon, Lindgreen and Vanhamme (2013) considered strategies used to seek organisational legitimacy in a controversial UK casino gambling market. The results suggested four generic strategies for seeking organisational legitimacy in complex context – construing, earning, bargaining and capturing, as well as combinations of these strategies.

Pittroff (2014) set out to explain why organisations implement whistle-blowing systems, finding support for legitimacy theory, revealing that legitimacy theory supported the use of external systems as they are symbolic in nature but do not hold for internal whistle-blowing systems because internal systems are driven by power. Reddy and Sharma (2014) investigated the nature and extent of compliance to the principle based corporate governance initiatives by listed companies in Fiji, observing that listed companies adopted CMDA corporate governance recommendations, establishing subcommittees for audit and remuneration, introducing non-executive independent directors, and separate chair and CEO roles in attempts to gain legitimacy.

Rueede and Kreutzer (2015) examined data on the role of cross-sector social partnership in legitimatisation with multiple internal and external stakeholders. This study observed changes in constituents that the organisation needed to receive legitimacy from over time. Gaspar and Mkasiwa (2015) investigate performance measurement practice in Tanzanian Local Government authorities in the context of new public management, identifying strategies used for legitimacy management. The effect of female board members on organisational legitimacy has also been examined (Perrault, 2015).

#### ***2.3.2.3 Non CSR Literature – Theoretical Research***

The final category of organisational legitimacy research observed focused on providing further theoretical grounding to the concept of legitimacy. Some of this work utilised research methods such as case studies (Beaulieu, Roy and Pasquero, 2003; Sutton et al, 2010; Beaulieu, 2011) and interviews to obtain an inside view of legitimacy processes (O’Sullivan and O’Dwyer, 2009). Theoretical review of the literature was undertaken (Deegan, Rankin and Tobin, 2002). Omran and El-Galfy (2014) aimed to provide an extensive and critical overview of theoretical perspectives.

#### ***2.3.2.4 Non CSR literature – Overview***

The non-CSR based research has expanded to examine different types of organisations across different types of organisations. Examples include accounting professional bodies (Beaulieu, Roy and Pasquero, 2003), recently privatised UK water corporations (Ogden and Clarke, 2005), Tanzanian NGOs (Goddard and Assad, 2006), and not for profit organisations (Bezjian, Holmstrom and Kipley, 2009), including charitable organisations (Sutton et al, 2007; Wang, 2010).

## 2.4 Overview of organisational legitimacy literature

From the research discussed above, it is evident that organisational legitimacy has become a popular topic of study. Research has worked to acknowledge the complexity of legitimacy as a construct, incorporating a range of legitimacy types and scenarios. Research has endeavoured to capture some of the concepts identified in Suchman's (1995) consolidation of the literature, distinguishing between different types of legitimacy and how they are managed across different legitimating settings.

Some literature has adopted Suchman's framework to examine a range of corporate disclosures using the framework of legitimacy types (Patel and Xavier, 2005), studying internal financial planning and control practices (Soobaroyen and Sannasee, 2007) and the relationship between moral and pragmatic legitimacy and CSR (Mahedeo, Oogarah-Hanuman and Soobaroyen, 2011). Pragmatic and cognatic legitimacy and employee information (CSR) (Young and Marais, 2013) has also been examined, along with substantive and symbolic CSR disclosures to manage moral and pragmatic legitimacy (Soobaroyen and Ntim, 2013) and attitudes to CSR using all three legitimacy types (Bhattacharyya, 2014). Pragmatic and moral techniques and carbon footprint reporting have been studied (Hrasky, 2012), as have moral and pragmatic exchange legitimacy (Singh and Point, 2009) and the management of moral and pragmatic legitimacy (Baugher, 2007).

Research in the field of business has worked to improve the current simplistic model of legitimacy to provide a more robust measure of legitimacy (Tilling and Tilt, 2010) and acknowledge the effect of the types of legitimacy by Suchman (1995) discussed above. Some research has been undertaken to examine the legitimating techniques proposed by Suchman (1995). However, each study has usually observed only one or just a few legitimating techniques. Baugher (2007) observed the effect of teamwork and the involvement of unions in a corporate setting on the management of moral and pragmatic legitimacy. Bitektine (2008) identified cognitive and socio-political types of legitimacy in examining the effect of reputation and status. Prasad and Elmes (2005) identified a range of legitimating disclosures using discourse analysis.

A quantity of research has also incorporated the legitimacy scenarios of gain, maintain or repair of legitimacy discussed by Suchman (1995). The role of CSR disclosures in gaining, maintaining and/or repairing legitimacy has been examined (Milne and Patten, 2002; O'Donovan, 2002; Dragomir, 2010; Islam and Deegan, 2010). CSR disclosures have also

been studied in relation to direct threats to legitimacy and their role in repairing legitimacy (Guthrie and Parker, 1989; Patten, 1992; Deegan and Rankin, 1999; Deegan, Rankin and Tobin, 2002); Magness, 2006; Buccina, Chene and Gramlich, 2013; Brennan and Merkyl-Davies, 2014; Noronha, Leung and Lei, 2015).

The use of CSR by controversial firms, in response to a threat to repair legitimacy (Campbell, Craven and Shrives, 2003), has been studied. CSR has also been studied for its role of legitimating in controversial industries or controversial industry settings (Kuo and Chen (2013); Ling and Sultana (2015); Miller and Michelson (2013); Blanco, Guillamon-Saorin and Guiral (2013); and in gaining legitimacy (Abdullah and Aziz, 2013). The role of CSR social disclosures, such as poverty assistance and employee information, in gaining legitimacy following negative media coverage has been examined (Islam and Matthews, 2009; Laine, 2009; Makela and Nasi, 2010; Kent and Zunker, 2013), along with board characteristics and strategies to gain, maintain and repair legitimacy (Rueede and Kreutzer, 2015).

The review of the literature on organisational legitimacy demonstrates a quantity of legitimating techniques may be available to an organisation to select at any time, depending upon the type of legitimacy being managed and the legitimacy scenario faced by the organisation. However, the literature has not yet consolidated these theoretical concepts to allow observation of multiple legitimating techniques and legitimacy events. Although a quantity of legitimating techniques has been observed in the literature, the research predominantly studies the use of single legitimating techniques in isolation, or in relation to very specific circumstances, such as a particular legitimating threats or events (Johnson and Holub, 2003) or organisational change, such as change in structure (Ogden and Clark, 2005; Massey, 2001). To facilitate the study of a broader range of legitimating techniques, the techniques identified in the literature have been consolidated and categorised below.

## **2.5 Legitimacy Setting: Community Expectations**

Organisational legitimacy requires congruence between the organisation's values, as implied by its actions and communications (Dowling and Pfeffer, 1975) and the values of the larger social system (Suchman, 1995; Dowling and Pfeffer, 1975). Thus legitimacy will be dependent on the organisation meeting community expectations. Charitable organisations such as the ARC rely on legitimacy to secure ongoing access to resources. As these organisations rely on donations as their primary source of income, they will need to ensure

they are perceived by the community as being legitimate, and seen as undertaking legitimate activities (Sutton et al, 2007) to ensure continued access to resources. Thus charitable organisations need to make sure that their goals are aligned with the community and that they are constantly meeting community expectations. Community expectations comprise both local and broader community views, incorporating social, political and economic factors in the community and portrayed in the media.

An organisation's legitimacy setting comprising social, political and economic factors will be impacted by community expectation through the factors in play at a point in time, and over time. Political factors might include government attitudes as reflected in regulation. Changes in regulation will affect the legitimacy setting of an organisation. For example, if an organisation fails to abide with legislation, enforcement by regulators may result in legitimacy management needs (Deegan and Rankin, 1996; Islam and Deegan, 2010). The political environment also reflects and is influenced by, the underlying social setting and views of the community in which the organisation operates, including lobby groups (Deegan and Blomquist, 2006).

This social setting comprises social factors driven by consolidated sets of values and beliefs reflected in society through legislation, and commonly accepted norms which are monitored and potentially modified as a result of public attention (Campbell, 2004), and may draw the attention of individuals or lobby groups who raise issues through avenues such as the public media (Patten, 1992). Organisations will be affected by social pressure through different social channels including stakeholder pressure groups (Patten, 1991; Tilt, 1994; Islam and Deegan, 2007). Unacceptable social behaviour will be potentially broadcast through media which have been observed as applying further pressure on organisations to confirm and demonstrate their legitimate right to operate in society (Islam and Deegan, 2010).

Economic factors arise from the economic environment in which the organisation operates which impacts on its legitimacy. Economic factors, such as the performance of the organisation (Breton and Cote, 2006) or the general economic environment, will affect the organisation's legitimacy setting. All three factors are important to charitable organisations that directly rely on society for funds, but economic factors will be crucial to the organisation's survival. Media may also be used by organisations to influence society and create change (Deegan and Islam, 2014), shaping the social setting.

Organisations can be viewed as having an implicit contract with society that enables their existence and continued survival. Organisations will only be considered legitimate to the extent that their activities are consistent with the goals of the larger social system (Dowling & Pfeffer, 1975) with whom they have implicitly contracted. Legitimate organisations receive loyalty and support (Yuthas, Rogers and Dillard, 2002). However, if an organisation cannot maintain its legitimacy in the eyes of its stakeholders, it may face criticism and sanctions (Yuthas, Rogers and Dillard, 2002) or, ultimately, the withdrawal of resources (Sutton, Cordery and Baskerville, 2007). Acquiring and maintaining legitimacy is therefore a critical issue for organisations, regardless of how widely recognised or supported they are (Elsbach and Sutton, 1992).

## **2.6 Summary of Literature on Legitimizing Techniques**

Organisations have been identified as using substantive and/or symbolic legitimating techniques.

### **2.6.1 Legitimizing Techniques – Substantive Versus Symbolic**

If an organisation identifies that its legitimacy is challenged, it can adopt particular legitimating techniques to reduce the effects of the legitimacy event on its legitimacy setting. These techniques may involve real substantive change, or alternatively they may involve the use of symbolic techniques (Pfeffer, 1981). Substantive changes involve real change, such as the modification of organisational outcomes and outputs through actual changes in policies, procedures and/or structure. Substantive changes may involve the organisation changing their motives and goals so that they align with those desired by society (Dowling and Pfeffer, 1975). If they do this, they need to communicate these changes to society.

Alternatively, the organisation may choose to avoid real change and adopt symbolic techniques (Pfeffer, 1981). Symbolic techniques have no real substance and do not involve substantive change by the organisation. Examples of symbolic techniques are the communication of procedural changes not supported by the effective implementation of real organisational change. The organisation may act symbolically, by working to align and identify the organisation with legitimate values, symbols or institutions (Dowling and Pfeffer, 1975).

These alliances may involve collaborations with existing organisations and communication of these collaborations, or the adoption of legitimate symbols, drawing upon the existing system's values for legitimacy. The organisation may also use communications to attempt to

alter existing social values and definitions of legitimacy to realign society's values with the organisation's values through the use of particular styles of narratives and pictorial tools such as photographs, graphs and tables.

Examination of the literature identified that although some research did examine the symbolic or substantive nature of legitimating techniques, the techniques studied were either communication based or structural/procedural based. To collate an extensive range of possible legitimating techniques, the literature was divided and examined according to this division observed in the literature.

### **2.6.2 Legitimizing Techniques - Communication**

Quantities of communication based legitimating techniques were observed in the literature. Communication legitimating techniques observed are summarised in Appendix A. These techniques have been further divided into three categories. The first category includes CSR based disclosures. The second category includes narrative based techniques and the third category contains all other communication disclosure based legitimating techniques. Each of these categories of legitimating techniques is discussed below.

#### **2.6.2.1 CSR Based Disclosures**

The first category of communication based legitimating techniques relate to CSR based disclosure research. This research has predominantly studied the use of CSR based narratives for legitimating purpose in studies such as Patten (1991) through to Koca-Helvaci and Cihan (2015). Other CSR disclosure based research has identified legitimating techniques such as quantitative disclosures (Cho, Freedman and Patten, 2012), carbon footprint information (Hrasky, 2012; Liesen, Hoepner, Patten and Figger, 2015), web disclosures (Cho, Phillips, Hageman and Patten, 2009; del Mar Galvez-Rodriguez, Caba-Perez and Lopez-Godoy, 2014), non-monetary CSR disclosures (Cho, and Patten, 2007; Dumay, Frost and Beck, 2015) and sustainability reports (Huang, Pepper and Bowrey, 2014; Belal and Owen, 2015).

Further studies have examined the use of CSR for legitimating purposes (Gallego-Alvarez and Quina-Custodio, 2016). The role of evaluative language in CSR report and legitimating has been examined (Koca-Helvaci, 2015). The role of CSR in banks' legitimacy management has been studied by applying the concept of readability (Laivi and Oobik, 2014). The literature has examined attitudes to CSR across different countries (Bhattacharyya, 2014). Further studies have examined CSR disclosures in relation to crisis in the context of legitimacy (Vourvachis, Woodward, Woodward and Patten, 2016; Giles and Murphy, 2016;

Laidroo and Sokolova, 2015) and in the light of negative CSR records (Alkent and Ozer, 2014). Annual report environmental disclosures have also been identified as being used for legitimating purposes (Fatima, Abdullah, and Sulaiman, 2015).

#### *2.6.2.2 Narrative Based Techniques*

The second type of communication based legitimating techniques involves the use of particular types of narratives and/or rhetoric for legitimacy management. The role of narrative and rhetoric in legitimating has been observed, with a range of legitimating tools identified including assertive and defensive statements (Ogden and Clarke, 2005; Samkin and Schneider, 2010), legitimating statements (Patel and Xavier, 2005; Samkin, Allen and Wallace, 2010), normalisation, authorisation, moralisation, rationalisation and narrativisation (Vaara, Tienari and Laurila, 2006), and statements to explain, defend, deny and/or play down responsibility (Boiral, 2015).

Other narrative legitimating techniques studied involve observing that in times of crisis organisations need to not panic, but justify, disassociate and explain (Eugenio, Lourenco and Morais, 2013). Corporations have been identified as using assertive and defensive disclosures to gain, maintain and repair their social legitimacy (Hassan, 2014). Corporations have also been identified as using assertive and defensive disclosures to gain, maintain and repair their social legitimacy (Ogden and Clark, 2005; Hassan, 2014). The role of rhetoric in legitimating has been studied, along with the use of risk narrative disclosures (Hassan, 2014) and religious discourse (Sidani and Showail, 2013).

Further narrative legitimating strategies identified include marginalisation, abstraction, indicative facts, rationalisation, authorisation and corrective action (Hahn and Lulfs, 2014). Rhetoric techniques identified include identification of strategies, logos, ethos and pathos, and the use of metaphors (Brennan and Merkl-Davies, 2014). A mix of symbolic substantive and symbolic disclosures may be used to manage legitimacy (Soobaroyen and Ntim, 2013). Strategic use of discourse for stakeholder engagement and signalling change may be used following a crisis to repair legitimacy (Beelitz and Merkl-Davies, 2012). Risk management narrative disclosures may use assertive and defensive disclosure tactics to gain, maintain and repair legitimacy (Hassan, 2014).

Discursive strategies can be used by organisations to restore their legitimacy (Hasbani and Breton, 2013) and discourse can be shifted quickly in response to changes in the social and political climate (Joutsenvirta, 2013). The organisation might need to act proactively to bring



about changes in stakeholder perspective, and religious discourse may be used to change the way organisations engage constituents (Sidani and Showail, 2013). For a charitable organisation this could take the form of conversations of the moral obligations and the purpose of the organisation to better society.

#### ***2.6.2.3 Other Communication Based Disclosures***

Communication based techniques not only include narrative based techniques (Ogden and Clark, 2005; Samkin, Allen and Wallace, 2010; Yongvanich and Guthrie, 2007), but also the use of visual tools for legitimating purposes (Samkin, Allen and Wallace, 2010). Other communication based disclosures observed in the literature include foreign activity disclosures (Tsang, 2001), web disclosures (Breton and Cote, 2006; Singh and Point, 2009), and the use of accounting (Daniels, Braswell and Beeler, 2010). Further accounting disclosures used for legitimating include intellectual capital items (Oliveira, Rodrigues and Russell, 2010; An, Davey and Eggleton, 2011; Abhayawansa and Azim, 2014) and quantifiable performance measures (Luke, Barraket and Eversole, 2013).

Voluntary risk related disclosures (Oliveira, Rodrigues and Russell, 2011; 2013) can be used for managing visibility and gaining and/or maintaining legitimacy (Oliveira, Rodrigues and Craig, 2013). Disclosures of philanthropic donations (Canny, 2014) and other voluntary disclosures (Conway, O'Keefe and Hrasky, 2015) have also been identified as being potential legitimating techniques. In addition, annual reports, and the annual reports awards process, have been identified as being available for legitimization purposes (Ryan, Dunstan and Brown, 2002; Watts, McNair and Baard, 2010) along with financial reports (Normand and Wooton, 2010).

Demonstrating accountability and informal reporting may be used to justify an organisation's existence, and to gain, maintain and repair its legitimacy (Samkin and Schneider, 2010). CEOs have been observed as making themselves accountable and establishing their legitimacy and the organisation's legitimacy (Jonall and Rimmel, 2010). Demonstrating accountability has been identified as being important and the presence of accountability standards (Geurtsen, 2014) and disclosures in the annual reports may be used to demonstrate accountability and to manage legitimacy (Conway, O'Keefe and Hrasky, 2015).

Strategies that might be used to demonstrate accountability include explanations, defence of legitimacy, denial that they have any impact, distancing of themselves from the impact of

their actions, and playing down of their responsibility (Boiral, 2014). Accounting data and processes may also be used for legitimacy (Daniels, Braswell and Beeler, 2010) and explanations of deviations from codes of conduct might involve discursive legitimacy techniques such as context specific justification, principled justification and deficient justification (Seidl, Sanderson and Roberts, 2013).

The importance of environmental disclosures in maintaining relationships with stakeholders and legitimacy management has been confirmed (Farooque and Ahulu, 2015). Corporate reporting on employees is important for gaining legitimacy (Young and Marais, 2013). In the modern era, legitimacy has also been linked to the use of online disclosures (del Mar Galvez-Rodriguez, Caba-Perez and Lopez-Godoy, 2014) with use of online tools such as Facebook observed as a potential legitimacy technique (Bonson and Ratkai, 2013). Legitimation may also be managed through the use of visual tools such as photographs (Samkin, Allen and Wallace, 2010).

### **2.6.3 Legitimizing Techniques – Structural and Procedural**

Substantive or real change has been observed as undertaken for legitimating purposes. Structural/procedural legitimating techniques observed in the literature are summarised in Appendix B. These techniques are discussed below.

Structural/procedural techniques include corporate governance policies (Bowrey, 2008), and restructuring with the use of efficiency measures (Grafton, Abernethy and Lillis, 2011; Wang, 2010). Organisations may adopt corporate governance structures to ensure maximisation of economic, environmental and social performance, and manage legitimacy (Aziz, Manab and Othman, 2015). Increasing support for the use of corporate governance and corporate restructuring for legitimating purposes has been collected (Wang, 2010), with the adoption of private sector corporate governance policies such as board independence identified as being used for legitimacy purposes (Bowrey, 2008).

Corporate governance recommendations, such as establishing subcommittees for audit and remuneration, appointment of non-executive independent directors, and separate duties of chair and CEO, are also considered useful for legitimacy management (Reddy and Sharma, 2014). Demonstrating accountability through real change has also been identified as being important, and the presence of accountability standards are linked to legitimacy and to

organisations identified as needing to engage stakeholders and demonstrate accountability to ensure legitimacy (Geurtsen, 2014).

Procedural techniques such as budgets, inspection and performance management practices can be used to manage legitimacy and procure resources (Fowler, 2009). The use of a managerial mindset and resource management has been identified as necessary for profit organisations and legitimation (Bezjian, Holmstrom and Kipley, 2009). Accounting and control policy choices may be used to improve efficiency and can also enhance legitimacy (Carmona, Ezzamel and Gutierrez, 1998; Lasmin, 2011). Accounting may be used to instigate change in order to manage legitimacy (Nahapiet, 1988) and financial statements have been identified as playing a powerful legitimising role for organisations (Irvine, 2002). Symbolic use of accounting and accounting processes may be used for legitimating purposes (Goddard and Assad, 2006). Internal financial planning and control practices can be used to convey a message of rationality and manage legitimacy (Soobaroyen and Sannasee, 2007).

Research has identified that organisations may build cooperative relationships and collaborate to manage legitimacy. Co-opting arrangements and partnerships with legitimate bodies can assist organisations in gaining and building legitimacy (Jaumont, 2014). Consultants, in not for profit organisations in particular, may be used to manage legitimacy (Irvine, 2007). Collaborations with legitimate parties can enhance the organisation's legitimate image (Fiedler and Deegan, 2007). Cross-sector social partnerships can be used for legitimatisation with multiple internal and external stakeholders (Rueede and Kreutzer, 2015).

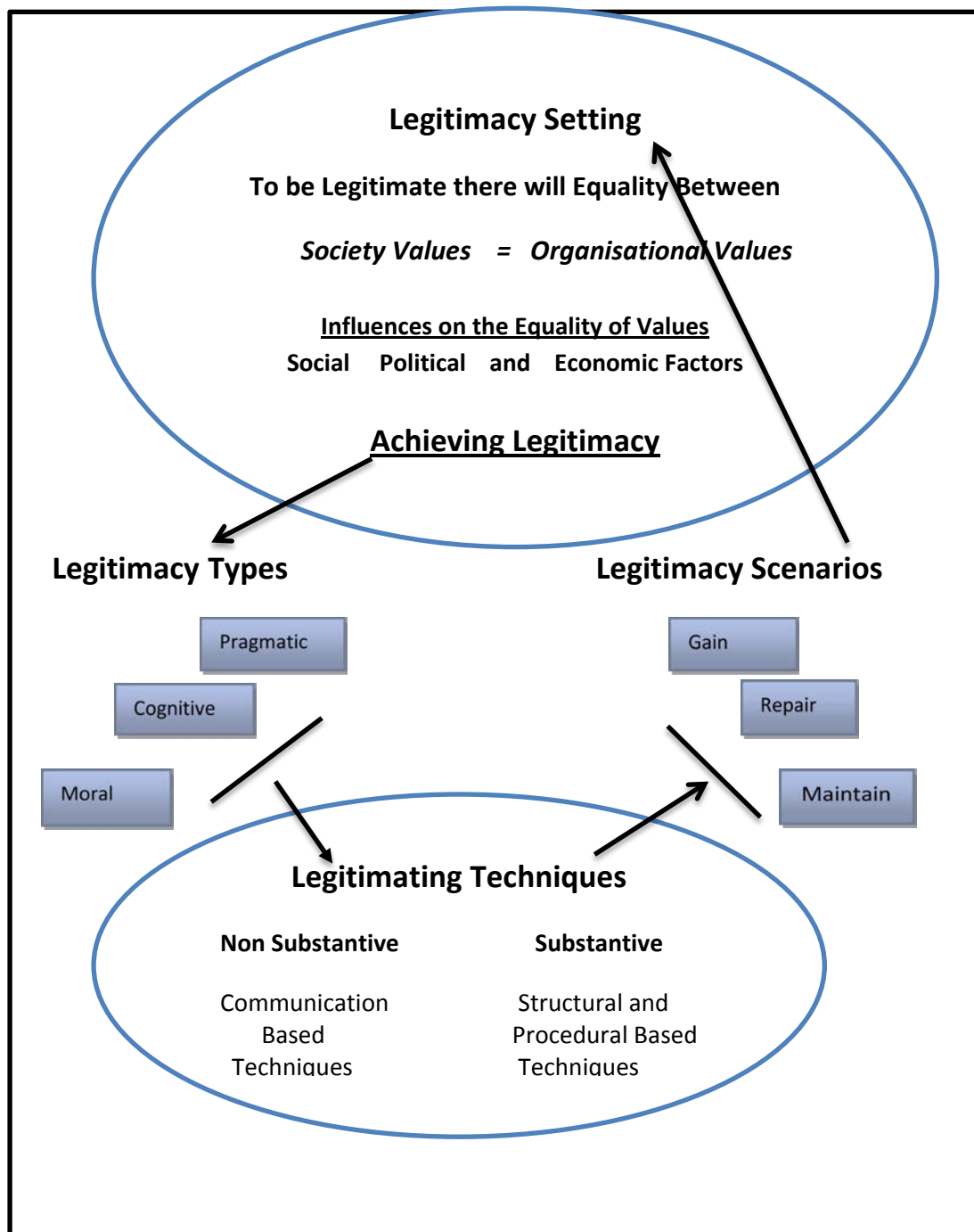
Organisations can conceivably borrow legitimacy through coalition, allowing an illegitimate organisation to have legitimacy despite deviations from social norms, rules and expectations (Mattingly and Westover, 2015). Symbolic legitimacy management techniques using isomorphism are also used to manage legitimacy (Durocher and Fortin, 2010), and organisations may obtain legitimacy from a related legitimate organisation, for example, a parent organisation, through isomorphism (Odafe, 2015).

From the research discussed, it is evident that organisational legitimacy has become a popular topic of study. Some research has been undertaken to acknowledge the complexity of legitimacy as a construct, incorporating a range of legitimacy types and scenarios. However, the literature has not yet consolidated theoretical concepts developed thus far to test the notion that organisations may use multiple legitimating techniques at any one time, and/or over time, depending upon the legitimating setting they are facing.

#### 2.6.4 Legitimizing Techniques – Extending the Literature

The literature discussed above was drawn together to develop a model of the legitimacy management cycle, which is represented below in Figure 2.1. The figure is read from top to bottom in a counter clockwise manner. The framework demonstrates that an organisation will examine its legitimacy setting, which is determined by the relationship between the organisation's values and society's values, as influenced by social, political and economic factors faced by the organisation. If a legitimacy event arises, driven by one or more factors or a particular threat of crisis, which affects, or will potentially affect, the organisation's legitimacy setting, then the organisation will need to determine whether to act, and if so, decide upon a course of action.

**Figure 2.1 Legitimacy Management Cycle – Choosing Legitimizing Techniques**



Using figure 2.1, the legitimacy cycle can be observed. Firstly the organisation examines its legitimacy setting to observe the alignment between society's values and organisational values (Suchman, 1995).

Suchman (1995) highlights the complexity of legitimacy as a concept, consolidating prior literature to classify legitimacy as pragmatic, moral and cognitive. The three types of legitimacy are all grounded in the notion that an organisation's activities are desirable and appropriate within a socially constructed system of accepted norms and values. The framework of legitimacy types and scenarios developed by Suchman (1995) is highlighted here to demonstrate the complex organisational legitimacy setting that organisations operate in, shaped by the social, political and economic factors at any point in time.

As a result of the organisation's legitimacy setting, and the presence and interaction of these factors, the organisation may face different legitimacy scenarios and thus need to gain, repair and/or maintain its legitimacy. The framework incorporates these different legitimacy types and legitimating scenarios identified in the literature, within the overarching setting of society and organisational values (Suchman, 1995).

Depending upon the type of legitimacy being managed, the organisation will select from a toolbox of legitimating techniques, to work to gain, maintain or repair its legitimacy (Suchman, 1995). The organisation will then reassess its new legitimacy setting, to see if it is perceived to meet the desired state of legitimacy, and chose whether further action is required. Figure 2.1 depicts the complex and continuous nature of organisational legitimacy management and range of legitimating techniques available to organisations.

The literature has identified the use of legitimating techniques in response to legitimacy distress resulting from social, political and economic factors (Soobaroyen and Mahadeo, 2016). The organisations can select from substantive or non-substantive legitimating techniques. For example, the organisation might choose to adopt non-substantive communication based legitimating techniques, to change its legitimacy or change society's expectations; or it might adopt substantive structural/procedural legitimating techniques either in addition, or as an alternative to, communication based techniques. If the organisation identifies that a legitimacy gap remains, and further use of legitimating techniques is required, it will again select legitimating techniques based on its assessment of the organisation's legitimacy setting. This (re)alignment process will be continuous.

The literature to date provides insight into the complexity of legitimacy as a concept. The organisation will take into account social, political and economic factors in its environment to determine the type of legitimacy and legitimacy scenario faced by the organisation (Suchman, 1995). Based on the organisations appraisal of the situation, it can then select from a toolbox of legitimating techniques including communication based legitimating techniques and structural and/or procedural based legitimating techniques. The organisation will adopt one or more legitimating technique(s) to alter its legitimacy setting. The organisation will then need to reassess its legitimacy setting and decide whether further use of any legitimating technique(s) is required.

This model identifies the expectation that societal values (expectation) and the values of the organisation will need to equate. That is, a legitimate organisation will meet the expectations of their constituents. There are a number of factors that influence societal expectations – these can be social, political and/or economic in nature. In seeking to achieve legitimacy, an organisation will adopt a legitimacy approach based upon the type of legitimacy being managed (pragmatic, cognitive or moral), then implement one or more legitimating techniques to gain, maintain or repair legitimacy.

Suchman's (1995) framework of organisational legitimacy has been used here to demonstrate a framework for the study of the complex notion of legitimacy. This figure demonstrates the ongoing and interactive nature of legitimacy management. The model provides a foundation for development of a conceptual framework used to allow examination of the ARC's legitimacy setting comprising multiple legitimacy events and factors, and use of a range of legitimating techniques by the organisation over time. Research has been undertaken on the legitimacy types introduced by Suchman (1995) of pragmatic, cognitive and moral legitimacy.

For example, Hrasky (2012) examined pragmatic and moral techniques by Australian corporations in the context of carbon footprint reporting, observing that carbon intensive sectors pursued moral substantive techniques and less intensive sectors relied more on symbolic disclosure techniques. Patel and Xavier (2005) examined the use of a range of corporate disclosures using the framework set out in Suchman (1995), observing the use of legitimating statements. Singh and Point (2009) used the concept of moral and pragmatic exchange legitimacy outlined by Suchman (1995) to examine the use of legitimating communications by European corporations. Prasad and Elmes (2005) identified a range of legitimating disclosures using discourse analysis.

Suchman (1995) provided examples of a large range of possible legitimating techniques in addition to narrative disclosures that may be utilised by organisations, and some research has been undertaken to extend Suchman's (1995) work by examining other types of legitimating techniques. Baugher (2007) observed the effect of the teamwork and the involvement of unions in a corporate setting on the management of moral and pragmatic legitimacy. Bitektine (2008) identified cognitive and socio-political types of legitimacy in examining the effect of reputation and status. Metzger (2001) studied the use of philanthropic activities to repair legitimacy when the core purpose of the organisation was threatened, as in the case of a cigarette company reacting to new information about the health risks of smoking.

Suchman (1995) highlighted the need to explore the range of legitimating techniques available to organisations, and combined usage of these tools. This research acknowledges the rich framework developed by Suchman (1995). It does not formally address the concepts of pragmatic, cognitive and moral legitimacy; however, it does acknowledge that the complex legitimacy setting provides a framework for the study of multiple legitimacy techniques. Thus, this new study adopts a strategic approach, focusing on the functional aspect of legitimacy management, through the assessment of action required, and then the selection of multiple legitimating tools to manage legitimacy, as this area is largely unexplored to date.

## **2.7 Concluding Comments**

This chapter provides an introduction and overview of the concept of organisational legitimacy and legitimating techniques. The literature to date has not comprehensively addressed the complexities of legitimacy, or accounted for its interactive and changing nature, diminishing the likelihood that a broad range of possible legitimating techniques have been identified and observed. To extend the literature to date, a range of possible legitimacy settings and legitimating techniques will be discussed in Chapter 3 with development of a conceptual framework.

## **Chapter 3: Conceptual Framework**

### **3.1 Introduction**

This chapter outlines the development of the conceptual framework used to underlie this study of organisational legitimacy management. The conceptual framework expands on the work of Suchman (1995) and subsequent literature, acknowledging the interactive nature of organisational legitimacy management, depicting organisational legitimacy as a (continuous) cycle of legitimacy management to facilitate the observation of a broad range of legitimating techniques.

### **3.2 Legitimacy Management**

It was identified in Chapter 2 that each organisation does not exist in isolation; it operates within a larger social setting. A community considers the organisation is legitimate when its values align with, or are perceived to align with, the values within the organisation's social setting (Suchman, 1995). The process of legitimacy management can be viewed as a legitimacy cycle. Firstly the organisation will examine its legitimacy setting. If the organisation perceives that a potential mismatch of values exists, then it adopts legitimating techniques in order to manage its legitimacy. Legitimizing techniques will be selected based on the organisation's assessment of its legitimacy setting, and the presence of any legitimacy crisis and factors present in its legitimacy setting at the time.

#### **3.2.1 Legitimacy Management Cycle**

The legitimacy management cycle introduced in Chapter 2 provides a foundation for development of a conceptual framework to allow examination of a range of legitimating techniques used by the ARC. The legitimacy cycle comprises three essential components, being legitimacy events, legitimating techniques and measures of success of legitimating techniques.

This research acknowledges the rich framework developed by Suchman (1995) but does not formally address the concepts of pragmatic, cognitive and moral legitimacy however acknowledges that this complex legitimacy setting provides the framework for the study of multiple legitimacy techniques.

This study adopts a strategic approach, focusing on the functional aspect of legitimacy management, through the assessment of action required and then the selection of multiple legitimating tools to manage legitimacy, as this area is largely unexplored to date. It is appropriate to examine a charitable organisation, such as the ARC, using this framework



given the organisation's dependence on access to public funds and government funding, emphasising the need for constant scrutiny and management of its legitimacy to ensure access to resources (Sutton et al., 2007).

### *3.2.1.1 Legitimacy Setting – Legitimacy Events*

An organisation's legitimacy setting will be made up of those factors that influence the societal expectations – in a society these can be found by reference to political, social and economic factors or influences that embed the norms and values of a society (Soobaroyen and Mahadeo, 2016). Where there is a difference between social expectations and the state of the firm's legitimacy in relation to social expectations, a legitimacy gap exists. The occurrence of a legitimacy gap may be influenced by a particular threat or challenge occurring in the organisation's legitimacy setting (Patten, 1992), or some type of legitimacy distress resulting from one or more of the social, economic or political factors occurring in the legitimacy setting (Soobaroyen and Mahadeo, 2016). A legitimacy gap will therefore potentially comprise multiple drivers. For purposes of this study, legitimacy gaps occurring in the ARC's legitimacy setting will be referred to as legitimacy events.

An organisation examines legitimacy events occurring in its legitimacy setting, and decides if, and how, to take action to narrow the legitimacy gap, with the intention of removing the gap totally (Suchman 1995). The organisation potentially needs to manage multiple legitimacy events simultaneously. As the legitimacy gap is narrowed, and finally removed, the organisation's legitimacy setting aligns through the use of legitimating techniques by the organisation, and a state of desired legitimacy is reached. At this point a new legitimacy setting is reached and the organisation now seeks to maintain that legitimacy setting. Legitimacy maintenance is also required, as social expectations and values change overtime, and the expectations and values of organisations change.

The organisation must ensure that it maintains its legitimacy so that the legitimacy gap is negligible, allowing it access to resources and enable the organisation to pursue its activities with minimal hindrance. In addition to maintaining and repairing legitimacy, an organisation will also need to gain legitimacy at particular times. When a new organisation is created or an existing organisation enters new areas of activity, the organisation will need to establish its legitimate right to operate by utilising appropriate legitimating techniques to gain legitimacy following the same process.

### *3.2.1.2 Legitimizing Techniques*

The organisation will need to select legitimating techniques appropriate to the legitimacy event(s) occurring in its legitimacy setting at any point in time. Examination of the literature presented in Chapter 2 identified a quantity of possible communication based and structural/procedural based legitimating techniques available for use by organisations for legitimacy management. An organisation will select legitimating techniques depending upon whether it needs to gain, maintain or repair legitimacy (Suchman, 1995). The concepts of moral, pragmatic and cognitive legitimacy discussed in Chapter 2 were used to demonstrate the complexity of legitimacy as a construct, but which are not incorporated into Suchman's (1995) model. An organisation will potentially face gain, maintain, and repair scenarios at various times, however a single organisation may conceivably only ever need to manage one type of legitimacy. This research has focused on observing a range of legitimating techniques under different legitimacy scenarios over time.

### *3.2.1.3 Evidence of Successful legitimization*

The final step of the legitimacy cycle will be examination of the success of the legitimating techniques utilised by the organisation, and identification of further action needed. Prior research has not focused on measuring or developing measures of successful organisational legitimacy management. It has focused primarily on examining how and when organisations might manage their legitimacy. Some literature has focused on the implications of unsuccessful legitimacy management (Ashforth and Gibbs, 1988; Sutton et al, 2007).

Organisations may use a range of legitimating techniques under various legitimating settings, however there is a possibility that legitimization techniques may backfire, and actually decrease the organisation's legitimacy (Ashforth and Gibbs, 1988). Organisations are often answerable to, and pressured by, a variety of constituents and thus may face contradictory or conflicting expectations, making legitimacy difficult to operationalise (Ashforth and Gibbs, 1988). Successful legitimization, however it might be measured, is agreed to aid continued access to resources (Parsons, 1960; Suchman, 1995).

With no established measure of successful legitimization in the literature, a set of criteria were developed, based on Suchman's (1995) assessment of legitimacy management. Success of legitimacy management is constantly assessed by the organisation through self-assessment, and for an organisation to remain successful it will need to communicate its successful legitimization by providing evidence of success (Suchman, 1995). In addition, successful organisations will undertake regular external assessment, such as independent reviews and

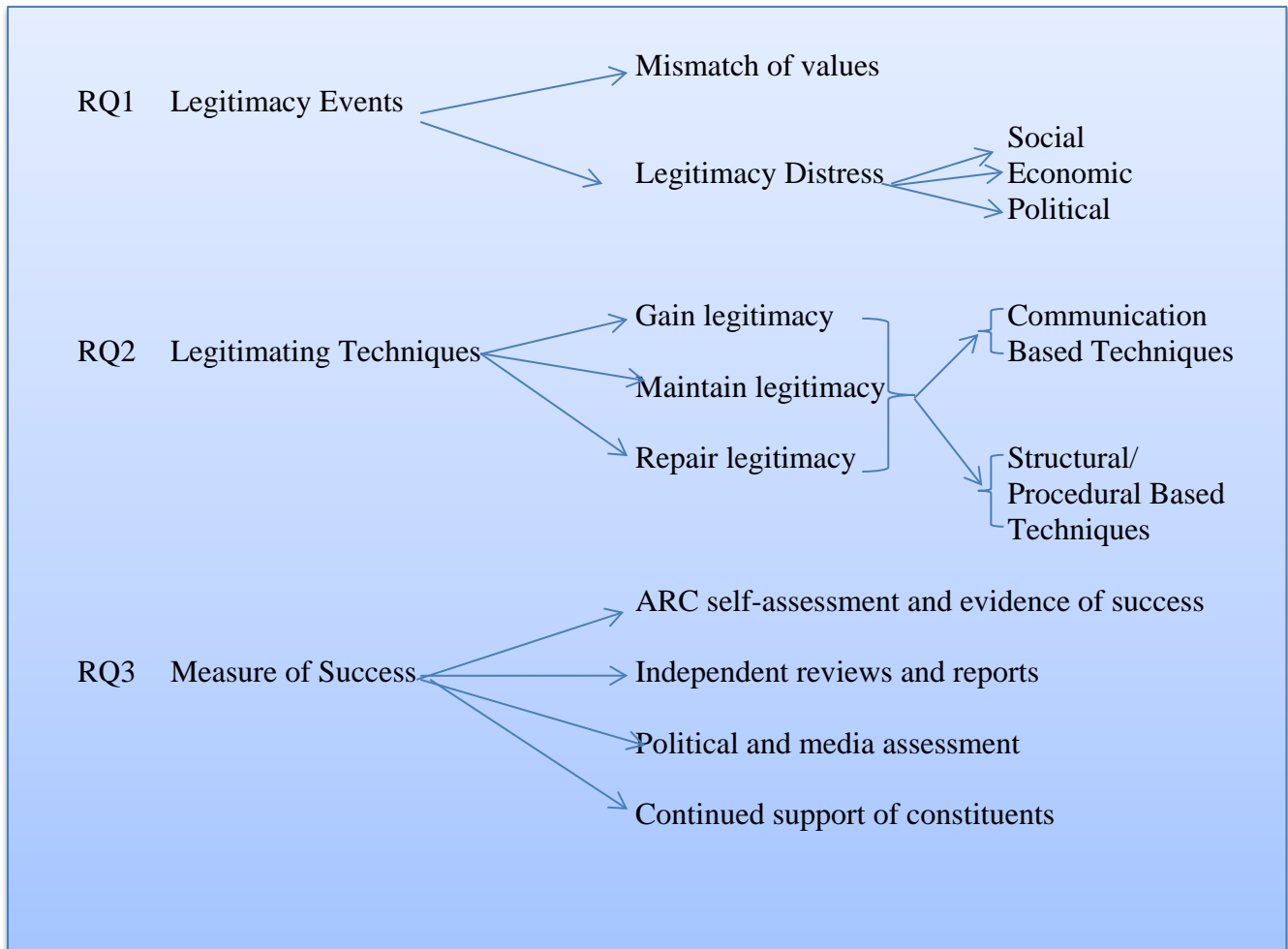
reports, to ensure successful legitimization. Again, to ensure continued legitimization and access to resources the organisation will communicate this to constituents. Thus, the presence of external assessment and communication provides evidence of proactive successful legitimization confirmed as successful by continued access to resources.

Political and media assessment, as evidenced by views reflected in media articles and the use of regulation, will reflect to some extent the success of the organisation and, more broadly, the industry it operates within (Suchman, 1995). Past research has demonstrated that poor legitimization by an organisation can result in removal of support and ultimately access to resources by constituents (Suchman, 1995; Sutton et al., 2007), thus the presence of continued support of constituents provides an indication of successful legitimacy management in the presence of legitimacy events.

#### ***3.2.1.4 Modelling the Research Questions***

The legitimacy cycle introduced above comprises three essential components, being legitimacy events, legitimating techniques and measures of success of legitimating techniques. Figure 3.1 provides an overview of the three broad components of the legitimacy management process drawn from the legitimacy cycle model developed above. The three components of the legitimacy cycle are legitimacy events, legitimating techniques and measurement of success of the legitimating techniques. These components provide the basis for development of the research questions addressed in this thesis. The research questions are discussed below, followed by a discussion of the components and related concepts outlined in this figure.

**Figure 3.1 Modelling the Research Questions**



### 3.3 Research Questions

This research aims to fill the gap in the literature by observing the full legitimacy cycle and a range of legitimating techniques utilised by the ARC over an extended period of time. Based on the model above, this involves observation of legitimacy events occurring in the legitimacy setting of the organisation, corresponding factors in the organisation's legitimacy setting, legitimating techniques used by the organisation for legitimacy management purposes, and indicators of success of the legitimating techniques.

The aim of the research is to therefore to observe the legitimacy cycle, which firstly requires identification of legitimacy events that have occurred in the operating environment of the Australian Red Cross (ARC), leading to research question 1. Based on the notion of a mismatch of values or expectation between society and the ARC, and the presences of social,

economic or political factors in the organisation legitimacy setting, legitimacy events can be identified.

***Research Question 1:*** *What legitimating events have occurred in the operating environment of the ARC over the relevant period that could potentially impact its legitimacy setting?*

Once legitimacy events are observed, legitimacy techniques need to be identified. The study aims to observe the use of a range of legitimating techniques by the organisation that were identified in the literature leading to research question 2.

***Research Question 2:*** *Which legitimating techniques were used by the ARC in relation to each legitimacy event to manage its legitimacy setting and work to gain, maintain and/or repair its legitimacy over time?*

To observe the full cycle requires observation of the success, or otherwise, of the use of legitimating techniques, and any effect of the organisation's legitimacy management on its legitimacy setting. To meet this requirements research question 3 was developed.

***Research Question 3:*** *Was evidence observed indicating the organisation successfully managed its legitimacy and positively influenced its legitimacy setting through the use of legitimating techniques?*

Each of the components of the research questions are discussed next.

### **3.4 Legitimacy Setting – Identification of Legitimacy Events**

Organisations have been identified as responding to legitimacy threats and perceived mismatch of values in its legitimacy setting (Patten, 1992; Deegan and Rankin, 1999; Magness, 2006). The literature has also identified the use of legitimating techniques in response to legitimacy distress resulting from social, political and economic factors (Soobaroyen and Mahadeo, 2016). These factors impact on the legitimacy setting within which the organisation operates, or wishes to operate. Political factors might include government attitudes as reflected through regulation. Changes in regulation may result in legitimating events for organisations. For example, if an organisation fails to abide with legislation, enforcement by regulators may result in legitimacy management needs (Deegan and Rankin, 1996; Islam and Deegan, 2010).

The political environment also reflects, and is influenced by, the underlying social setting and views of the community in which the organisation operates. This social setting comprises social factors driven by consolidated sets of values and beliefs reflected in society through legislation, and commonly accepted norms which are monitored by individuals or lobby groups who raise issues through avenues such as the public media. Public attention, through lobby group and media attention, will thus affect the organisation's legitimacy (Campbell, 2004). Actions of the organisation itself, such as environmental accidents, will also affect society's view of the organisation and potentially challenge its legitimacy (Patten, 1992) affecting its legitimacy setting.

Economic factors arise from the economic environment in which the organisation operates, which impacts on its legitimacy. Economic events such as the Global Financial Crisis (GFC) may lead constituents to re-examine the need for legitimacy. This examination may include observation of performance. For example, an organisation earning high levels of profit (Breton and Cote, 2006), particularly in times of crisis, may face criticism resulting in the need to manage its legitimacy. Alternatively, an organisation seen to be acting in a financially irresponsible manner may also face a legitimacy crisis requiring legitimacy management. All three factors are important to charitable organisations that directly rely on society for funds, but economic factors will be crucial to the organisation's survival.

The organisation needs to monitor its legitimacy setting, observe any legitimacy factors that occur, and examine its own actions. The organisation continuously compares its current legitimacy setting to its desired state of legitimacy. If the organisation's management of the legitimacy factors does not meet social expectations then the organisation may find itself facing a legitimacy setting that does not meet its desired state of legitimacy.

When faced with a legitimacy setting that is different to its desired state of legitimacy, the organisation's decision making systems will seek to find a way to manage the situation. The organisation will identify which legitimacy factors, and/or specific crisis or challenges, need to be addressed, and select appropriate action(s). The choice of legitimacy techniques will depend upon the factors being addressed and legitimacy scenarios faced by the organisation (Suchman, 1995).

### 3.5 Legitimizing Techniques

Suchman (1995) provided examples of possible legitimating techniques that may be chosen by the organisation depending upon whether it needs to gain, maintain or repair its legitimacy and the type of legitimacy being managed. The legitimating techniques collated by Suchman (1995) have not been fully tested in subsequent literature. As discussed in Chapter 2, research on organisational legitimacy has largely taken a strategic approach, focusing on particular legitimacy scenarios and individual techniques. The literature that followed Suchman (1995) collectively provided further possible legitimating techniques for examination in the context of legitimacy scenarios of gain maintain and repair legitimacy.

#### 3.5.1 Gaining Different Types of Legitimacy

Gaining legitimacy might involve carefully selecting an appropriate environment or community setting to operate within, or the organisation might aim to manipulate the existing environment, so the environment's values change to match the organisation's values. For example when entering a new area, the ARC might need to change the expectations of the community to match those of the organisation. This might be done through techniques such as alignment with political groups or political lobbying.

Organisations will utilise different types of techniques in gaining legitimacy, depending upon the type of legitimacy being managed. Pragmatic legitimacy involves constituents providing support for the organisation's actions and policies, and exchanging resources with the organisation, due to the benefit the constituent's perceive that they will receive from the arrangement. Because pragmatic legitimacy relates to constituents who are motivated by self-interest, gaining this type of legitimacy involves appealing to the self-interest of these constituents. For the ARC these might be constituents that have contracts with the organisation for the supply of goods or services.

This might be contrasted to the focus when managing another type of legitimacy such as moral legitimacy. When the organisation is working to gain moral legitimacy, it will be focused on appealing to constituents who don't have self-interest in the organisation but who support the organisation for more selfless or moral reasons. These constituents will not necessarily receive a direct benefit from the organisation for their involvement in the organisation, but they provide support for the organisation because it performs a role that is important to them for deeper reasons (Suchman, 1995). An example would be constituents

who donate money, time or resources to ARC because they have a belief in the organisation's goals and missions.

Gaining moral legitimacy may require more substantive techniques by the organisation due to the lack of reciprocal benefit from the organisation to constituents. To manage moral legitimacy, the organisation will need to demonstrate the achievement of very specific well defined outcomes that are acceptable to these constituents. These outcomes might be financial, or quite possibly social, such as good CSR or good corporate governance. For example, donors concerned whether the ARC is efficient and effective want to see evidence that good corporate governance strategies are in place before they donate.

The legitimating techniques used to gain pragmatic and moral legitimacy may differ again to those selected to manage cognitive legitimacy. Cognitive legitimacy management is a long term proposition requiring the organisation to convince constituents that the organisation is an acceptable and taken for granted part of society that has been, and always will be, needed. To do this, the organisation needs to demonstrate how they conform to society's values (Suchman, 1995).

They may do this through a mixture of symbolic and substantive techniques (Ashforth and Gibbs, 1990). For example the organisation may mimic current standards applicable to the type of organisation by setting up appropriate policies and procedures already in use by legitimate organisations, or aligning and relating themselves to pre-existing long standing organisations. The ARC is a long running organisation that conceivably possesses strong cognitive legitimacy. The ARC may still need to work to gain this type of legitimacy; for example, when introducing new divisions or areas of service.

### **3.5.2 Maintaining Different Types of Legitimacy**

The ARC is a long running organisation that has maintained its legitimacy over time, ensuring its ongoing survival. Maintaining legitimacy involves the organisation continually seeking to realign the values and expectations of the society with those of the organisation. To do this, the organisation needs to monitor its legitimacy setting for changes using tools such as marketing surveys and other feedback tools. In addition, the organisation needs to monitor its performance and image to ensure that at any time its image is desirable and acceptable. If for example political factors change due to changes in society's views or the ARC is faced with further regulation it would need to demonstrate it was compliant with the regulation or work to change society's views on compliance.



Maintaining legitimacy primarily involves monitoring the legitimacy setting faced by the ARC to ensure that a match of values with society is maintained. As legitimating factors change over time, and new factors arise, the organisation needs to ensure it maintains the image of 'fitting in'. As with gaining legitimacy, the legitimating techniques chosen by the ARC to maintain legitimacy may vary with the type of legitimacy being managed. To maintain pragmatic legitimacy the ARC needs to ensure ongoing exchange agreements and views of the organisation are maintained.

The ARC could do this by observing the tastes and values of society over time through the use of techniques such as survey, and act if society's views conflict with the organisation. The ARC also needs to monitor its outcomes; for example, by policing its products and services to ensure they remain reliable. The ARC may monitor terms of agreements with suppliers and customers to ensure they are acceptable. Alternatively the ARC might use accounting and management strategies including quality control through to good marketing.

Maintaining moral legitimacy may require more substantive techniques or real structural, procedural change than for pragmatic legitimacy, where some symbolic technique may suffice. However the ARC may choose from a range of techniques depending upon which political, economic and social factors are active in society at the time. For example, the ARC might use consultation and communication of a symbolic nature, or it may implement substantive changes such as real procedural and structural changes. The organisation could introduce audit or other processes to monitor and police its activities.

To maintain cognitive legitimacy the ARC might monitor its image and outlook by seeking the opinions of potential critics. The organisation will always need to monitor its image, but for this type of legitimacy, it may turn its critics rather than to constituents, for opinions to ensure it is satisfying their needs in the long term. The organisation may adopt matter of fact simple communications, working to gain a believable image and a reputation for being legitimate and necessary.

Although an organisation will constantly work at maintaining its legitimacy, if legitimating factors in the organisation's environment arise which threaten its legitimate image, the organisation will need to act to repair its legitimacy.

### 3.5.3 Repairing Legitimacy

While an organisation may endeavour to maintain legitimacy, there may be times when a legitimacy gap does appear, and it becomes apparent that the organisation's values and those of society differ. The organisation will need to act to repair its legitimacy if it is faced with legitimating events and factors that suggest that its values do not fit with society's values in this way (Guthrie and Parker, 1989; Campbell et al, 2003; Magness, 2006).

At this time, the organisation will need to select legitimating techniques that assist it to repair its legitimacy by either working to demonstrate that the organisation's values are congruent with those of the community, or work to realign the values of the community with those of the firm. An example of such a factor would arise if the organisation was responsible for an environmental accident such as an oil spill (Patten, 1992) or, for the ARC, this could be significant criticism over its services and/or use of funds.

If the ARC's legitimate image becomes damaged, as with the other legitimacy scenarios, the organisation would select legitimating techniques depending upon the type of legitimacy being managed. To repair pragmatic legitimacy, the ARC may use narratives to communicate its perspective utilising narrative strategies such as the use of denials. In addition, it could implement strategies to monitor the situation. To repair moral legitimacy, the ARC might communicate its worth through the use of narrative statements such as excuses and justifications, disclaimers and concealment (Ogden and Clarke (2005)). The organisation might also use other types of communications, along with substantive change to disassociate itself from a threat (Elsbach and Sutton, 1992; Suchman, 1995). Repairing moral legitimacy may require more substantive based techniques, depending upon the extent of the damage.

To repair cognitive legitimacy, the organisation may commonly use explanations to support their status as necessary and understandable, clearing up any potential misconceptions about their technique (Ogden and Clark, 2005; Patel and Xavier, 2005).

From Suchman (1995) and subsequent literature, it became evident that a broad range of legitimating techniques are available for use by an organisation for legitimacy management. As observed in Chapter 2, the literature contained natural divisions, with techniques being identifiable as communication based or structural/procedural based. Tables of possible communication based and structural or procedural based techniques for legitimating purposes were developed in Chapter 2 (See Appendices A and B). Incorporating the literature that followed Suchman (1995), a comprehensive set of legitimating techniques was identified and

compiled (see Appendix C) This table not only presents possible techniques identified by Suchman (1995), but extends his work through the addition of further techniques and the categorisation of techniques as communication based or structural/procedural.

Once the organisation has undertaken particular legitimating technique(s), it faces a new legitimacy setting. If the legitimating technique(s) adopted were successful, this completes the legitimacy cycle and the organisation will move to a state of legitimacy. The organisation needs to determine whether the legitimating techniques have been successful.

### **3.6 Completing the Cycle - The New Legitimacy Setting: Measuring Success**

The full legitimacy cycle includes a new state of legitimacy which will then be compared by the organisation to its desired state of legitimacy, which may or may not have changed. New legitimating actions may be identified and undertaken, and the cycle will continue. The question then arises of what constitutes success? The literature has identified the effects of poor legitimacy management (Sutton et al., 2007) and delegitimation effects (Ashforth and Gibbs, 1990), but it hasn't specifically identified measurement of successful legitimisation. From review of the literature on organisational legitimacy management, four proxies for observing success were developed, being: self-assessment, independent review and reports, political and media assessment, and continued support of constituents.

#### **3.6.1 ARC Self-Assessment and Evidence of Success**

Charitable organisations have been identified as being dependent upon image for survival and ensuring access to resources. It follows that these organisations would be particularly interested in assessing their performance in relation to image, both internally and externally. Self-assessment in the way of internal review and surveys could provide information on the organisation's performance in this context. The organisation looks for evidence of success to share with constituents to positively influence its legitimacy setting further.

#### **3.6.2 Independent Reviews and Reports**

In times of challenged legitimacy, it will be particularly crucial for a charitable organisation to obtain external information on its performance and external perceptions of its performance, as well as independent evidence of successful performance to display to the public for legitimating purposes and to bolster its image. Thus, independent review and reports will be essential to providing evidence of successful legitimacy management.

### **3.6.3 Political and Media Assessment**

Public image is crucial to survival for all organisations, especially in the age of communication, but particularly so for charitable organisations that rely upon the public for funds. Political involvement may come in the form of punishment and regulation. The absence of political intervention, and/or the presence of political support, would constitute success for a charitable organisation at some levels. Media involvement has been identified as prompting legitimating efforts by organisations, highlighting the importance of media support and endorsement. Obtaining continued media support and endorsement thus potentially constitutes a measure of legitimating success.

### **3.6.4 Continued Support of Constituents – Access to Resources**

Continued support of constituents can be argued to provide strong evidence of successful legitimacy management, with legitimate organisations identified as having ongoing access to resources (Suchman, 1995); and the removal of resources has been observed as resulting from a lack of legitimacy (Sutton et al., 2007). Continued support for charitable organisations could comprise continued financial support, but also support from volunteers and members. Continued support across these factors represent success; continued support is essential to the existence of these organisations.

## **3.7 Overarching Aim of the Research**

The framework presented in this chapter reflects the full legitimacy cycle, incorporating a strategic approach to legitimacy management. Organisations will manage their legitimacy by selecting from a range of legitimating techniques and, as a result of the organisation's action(s) and other ongoing changes, the organisation will be faced with a new legitimacy setting, comprising a new set of interwoven legitimacy factors. The framework allows testing of the strategic, but also the institutional, nature of organisational legitimacy. This paper focuses on the use of legitimating techniques, and the success of these techniques. It does not specifically address in any depth the underlying factors resulting in potential legitimacy gaps being addressed by the organisation. The discussion of legitimacy events presented in Chapters 5 through to 8 contributes context and understanding of the social, political and economic factors driving some of the legitimacy events and possible legitimacy gaps.

This is something that past literature has not specifically addressed. The framework also allows for identification of a broader range of legitimating techniques. With reference to the literature discussed in Chapter 2, and the framework developed in this chapter, three research

questions were developed above. From these questions, an overarching general proposition was identified:

***General Proposition:***

*P1: Has the ARC successfully used legitimating techniques to manage legitimacy?*

This overarching aim of the research is articulated more specifically by the three research questions which contribute to our understanding of legitimacy management by allowing the observation of a range of legitimating techniques, and broadens our view of legitimacy management to incorporate the ongoing nature of legitimacy management.

### **3.8 Concluding Comments**

The model developed during this research provides a foundation for the study of the full legitimacy cycle, and a framework for development and assessment of the three research questions. Using this model, the changing legitimacy setting faced by the ARC can be observed and legitimating events and underlying factors identified. Identification of the legitimacy techniques chosen by the ARC can be studied in light of the legitimacy events to obtain some insight into legitimating choices made by the organisation. Identification of the new legitimacy setting is made, and an assessment of the effectiveness of the legitimacy management of the organisation is undertaken.

This research seeks to identify legitimating techniques used by an organisation under different legitimating settings to observe which techniques, and combinations of techniques, are used at any one time by an organisation, and the resulting outcomes of these technique choices. Details of the research method necessary to capture a broad range of legitimating techniques, along with discussion of the choice made by organisation, and are provided in Chapter 4.

## **Chapter 4-Research Method**

### **4.0 Introduction**

This chapter contains details of the research design and the data analysis used to facilitate the observation of all aspects of the legitimacy management cycle proposed in Chapter 3. A longitudinal case study of the ARC was undertaken to identify legitimacy events faced by the organisation over time, its use of legitimating techniques, and the success of such legitimating techniques. The longitudinal study involved content analysis of two data sources, media articles and annual reports, relating to a 70 year period.

Study of a long running charitable organisation was considered appropriate for a number of reasons. In Australia, there exists a well-established sector of not-for profit charitable organisations that deliver a range of social welfare services (Hainsworth, 1995), with charitable organisations accounting for 8 per cent of GDP and employing more than 600,000 people (The Australian, 2008). Almost 90% of adults donate to charity and the average donation per year is \$400 (Watson, 2008). Charitable organisations thus form a significant component of modern society.

However, aid agencies across the world are finding themselves being held more accountable for their use of donations (Abraham, 2007; Watson, 2008). Criticisms over efficient use of resources have been coupled with a highlighted awareness of the administration costs of these organisations and a desire by donors to not funding those costs (Strom, 2008). Thus, charitable organisations competing for access to limited funds need to ensure they maintain a legitimate image and reputation, or risk losing support and access to resources (Bennett and Gabriel, 2003; (Sutton et al, 2007).

Organisations with greater levels of legitimacy have been identified as achieving better results and having improved access to resources (Diez-Martin, Prado-Roman and Blanco-Gonzalez, 2013; Blanco, Guillamon-Saorin and Guiral, 2013) and organisations that build their legitimacy are better positioned to compensate for structural resources deficits if they occur (Walker and MacCarthy, 2010). Thus charitable organisations will potentially need to dedicate sufficient attention to ensuring their legitimate image is sustained to ensure continued access to resources.

### **4.1 Research Design**

This research design is intended to respond to the research questions and to allow the observation of the complete legitimacy cycle, including factors existing in the organisation's

legitimacy setting over time. The design allows observation of multiple legitimating techniques or combinations of techniques utilised by the organisation as it sought to repair, maintain and gain its legitimacy over time, and the capture of any resulting changes in the legitimacy setting stemming from its legitimating technique choices. A longitudinal case study utilising qualitative research methods provides the necessary breadth and depth to capture all of the components of the legitimacy cycle.

#### **4.1.1 Case Study - Overview**

A case study involves the in-depth examination of one or more organisations often over time (Yin, 1993), allowing a deep examination of the area of interest from many different angles (Thomas, 2011). Case studies have been adopted in the exploration of organisational legitimacy; however research has largely focused on studying individual incidences of legitimacy threats and resulting legitimating technique(s). For example research on organisational legitimacy has commonly studied organisations from specific industries under particular circumstances to observe whether disclosures have been used for legitimacy management purposes (Patten, 1992; Clarke and Gibson-Sweet, 1999; Cho and Patten, 2007).

The focus of past research has not allowed it to capture the full range of legitimating techniques available to an organisation over time. A longitudinal case study of one organisation will allow the observation of multiple legitimacy events and legitimating techniques. Research has relied on the assumption that legitimacy can be managed in a strategic manner. Although this appears to be somewhat true, the study of individual legitimating techniques and scenarios has not allowed consideration of the interactive and evolutionary nature of organisations and organisational legitimacy (Suchman, 1995). Past research can be argued as observing only a slice of the legitimacy cycle across organisations and has not tested the notion of an ongoing legitimacy management cycle.

This study aims to capture information from every aspect of the organisation's legitimacy cycle, starting with legitimating factors comprising the ARC's legitimacy setting and determination of legitimacy events, through to identification of its use of legitimating techniques and examination of the resulting new legitimacy setting. As a case study is useful for studying 'where' and 'why' questions where the researcher has little or no control over events (Yin, 1993), it provides an appropriate forum for the in-depth examination of the organisational legitimacy management cycle.

A long-running charitable organisation was chosen for this case study to allow observation of the full legitimacy cycle.

#### **4.1.2 Charitable Organisations - The Australian Red Cross**

The ARC is a large Australian charitable organisation. Charitable organisations play an important role in modern society for which legitimacy management is of particular concern. Charitable organisations are particularly vulnerable with regard to image because they rely upon the support of the public, who receive no tangible return from their contribution, for survival. Patterns of donations are affected by the image of the organisation and competition for donations is intense due to various factors (Bennett and Gabriel, 2003), and charities image and reputation is suggested to strongly influence donor technique (Bennett and Gabriel, 2003).

The ARC provides an example of a large long running charitable organisation which is heavily reliant on public donations for survival, and therefore very sensitive to changes in its legitimacy. With the ARC's need to manage its perceived legitimacy to ensure its continued existence, along with the many events faced by the organisation over time, it provides a good source of examination of organisational legitimacy management. To allow a thorough examination of the legitimacy management cycle, a range of information is needed to consolidate views derived from publicly available information. A longitudinal case study using multiple data sources is therefore necessary to obtain a deep understanding of all of the components the full legitimating cycle.

#### **4.2 Data Collection**

This research involves a qualitative analysis of two primary data sources for a single organisation, the ARC, over and 70 year period of time. The most common characteristics of qualitative research are observation and examination (Stake, 2010). This research incorporates these aspects through a two-stage data collection process. The first stage involves a content analysis of media articles to identify possible legitimacy events over the time period studied. The media analysis was also useful in identifying legitimacy factors and the ever changing legitimacy setting at points in time, and the identification of possible legitimacy events and legitimating techniques.

The second stage involves a content analysis of annual reports prepared by the ARC for identification and confirmation of legitimacy events, and identification of legitimating techniques. The first stage of data collection allowed identification of the general legitimacy



setting faced by the organisation over time, and the second stage provided confirmation and expansion of the data collected in stage one.

#### **4.2.1 Multiple Resources**

Research on organisational legitimacy has predominantly studied single legitimacy events and the use of individual legitimating techniques utilising a single data source. Glaser and Strauss (1967) argue that research in the social sciences needs to tap into the richness of multiple data sources surrounding the researcher to build the picture of the topic of interest and develop theory. Following the authors suggested process, multiple data sets were firstly used to observe sequences of related events; secondly to determine those involved in the event; and thirdly, to track down key words or themes. This information was analysed in the context of the prior literature on organisational legitimacy.

In this study, different perspectives are tapped into through the examination of the multiple data sources, viewing from several points or angles (Thomas, 2011). Each data source allows identification of and/or confirmation of information relating to parts of the legitimacy cycle. This use of multiple data sources potentially increases the validity of the study: It is a characteristic, and a particular strength, of the case study form, allowing the researcher to look in from different angles and vantage points (Thomas, 2011).

Threats to validity can be classified as internal or external. Internal validity relates to the extent that conclusions can be drawn regarding the causal effect of one variable upon another (Hoyle et al., 2002). Alternate explanations for particular outcome will pose a threat to the internal validity of the study. The internal validity of this study was reinforced by the use of dual data sources to allow substantiation of information collected in the first stage of data collection, combined with the careful coding and identification of direct links between legitimating factors, techniques and the legitimacy setting. External validity allows generalisation of results to a larger population. The results of this case study will be used to assess the appropriateness of the developed framework to the ARC only. The results are not generalisable to other organisations.

Reliability relates to the usefulness of an instrument for measuring what it intends to measure. Expectations of reliability may drop away to some extent in a case study with just one case (Thomas, 2011). However, a level of reliability can be increased via some simple steps, such as the use of a second coder for a sample of data, and the use of coding book based on the

framework presented in Chapter Two. This assists in assuring the reliability of the data collected is maximised.

#### ***4.2.1.1 Media Articles***

Media articles have been demonstrated as providing a useful source for study of organisational behaviour, with some use in the study of organisational legitimacy. Makela and Nasi (2010) examined the use of rhetoric in media articles and corporate disclosures. Mattingly and Westover (2015) studied media articles and other public available data in the case study of Sea Shepherd's legitimacy management. Media reports and annual reports have been examined for the use of for CSR disclosures (Husillos, 2009). Media releases have also been found to provide insight into legitimacy management (Joutsenvirta, 2013; Patel and Xavier, 2005; Samkin and Schneider, 2010). However, they have been largely under-utilised as a data source.

#### ***4.2.1.2 Annual Reports***

Much of the literature on organisational legitimacy has undertaken content analysis involving the study of corporate narratives in annual reports for changes in the quantity of particular disclosures (see Tilt, 1994; Campbell, 2004; Yongvanich and Guthrie, 2007). Although, research has moved to incorporate other data sources, including interviews, each study has commonly incorporated a single data source, focusing on a particular type of legitimating technique thought to be used in response to a particular legitimating event.

The predominate use of content analysis of corporate documents such as annual reports has contributed to the potential oversight of a range of possible legitimating techniques and has not facilitated the study of the full legitimating cycle. A longitudinal case study, using multiple data sources, allows observation of multiple legitimacy events and legitimating techniques, and an assessment of the success of legitimating techniques over time.

#### ***4.2.1.3 Longitudinal Case Study***

A longitudinal case study has been identified as providing insight into organisational legitimacy management over an extended period of time. Hui and Bowrey (2008) undertook a case study of three Hong Kong banks to examine the use of CSR disclosures for legitimisation purposes. Islam and Deegan (2008) studied a Bangladesh corporation using multiple data sources to identify motivations for CSR disclosures in a legitimisation context. Makela and Nasi (2010) completed a case study of a Finnish paper mill to analyse legitimisation in the context of downsizing. Laivi and Oobik (2014) studied a bank's sustainability reports from a

legitimacy management perspective. Other legitimation-based case studies include Belal and Owem (2015), Brennan and Merkl-Davies (2014), Nasi, Nasi, Phillips and Zyglidopoulos (1997), Bessiree and Onnee (2010), Samkin, Allen and Wallace (2010), Daniels, Braswell and Beeler (2010), Grafton, Abernethy and Lillis (2011), Nahapiet (1988), Beaulieu, Roy and Pasquero (2003), Huybrechts and Nicholls (2013), Rueede and Kreutzer (2015), and Sutton, Corderey and Baskerville (2007).

#### **4.2.2 Resources analysis**

Following Glaser and Strauss' (1967) rules for qualitative data analysis, a systematic analysis of media articles and annual reports was undertaken for themes and important categories. While exploring categories or themes, the researcher and possible ideas on hypothesis as Glaser and Strauss (1967) suggest or as applied to this study, possible legitimacy events and techniques and clues on the legitimacy setting of the ARC and changes in this setting over time. Following this exploratory stage, the media articles were coded for legitimacy events and annual reports were coded for events and legitimating techniques following the coding book discussed below.

### **4.3 Coding and Data Examination – The Coding Book**

A coding book was developed based on information on legitimating events and techniques identified in the literature presented in Chapter 2. In accordance with the examination conducted in step one, legitimacy scenarios faced by the organisation were categorised as resulting in the organisation needing to gain, repair or maintain its legitimacy. This concept of legitimacy types developed by Suchman (1995) was used to build the model of possible legitimating techniques and demonstrate the range of legitimating techniques available for legitimacy management, but for the reasons discussed in Chapter 3, the type of legitimacy being managed was not specifically examined in this study. The identification of the legitimacy events is discussed next.

#### **4.3.1 Legitimacy Setting – Identification of Legitimizing Events**

As identified in Section 3.4 above, if an organisation's values are not aligned with those of society, then a legitimacy gap will result which may threaten the organisation's legitimacy and potentially limit its access to resources. The notion of a legitimacy event was applied more broadly than in past research which has examined direct threats to organisational legitimacy (Deegan & Rankin, 1996; Deegan, Rank & Tobin, 2002; Patten, 1992). Any event or occurrence that suggested that the ARCs values, as represented through its actions and communications, that were not in line with the values of society, and/or any evidence of

legitimacy distress through the presence of social, economic and/or political factors, was flagged as a legitimacy event for the organisation. Potential legitimacy misalignment resulting from the direct actions of the ARC itself was also noted.

Political factors are those that relate to the political environment which the ARC operates in. These could include introduction of, or changes to, regulation or sanctions imposed upon the organisation through government legitimisation, or other regulatory requirements. Social factors include changes in social opinions and attitudes as reflected by movement of lobby groups and opinions voiced in media articles. Economic factors include changes in the economic environment such as the GFC which potentially decreased the amount of funds available for donations by donors.

The coding book outlined rules for identifying legitimacy events and categorising legitimacy factors in the ARC's environment. Following the coding book, media articles were examined to identify potential legitimacy events and underlying political, economic and/or social factors that may have affected the ARC's legitimacy during the time period of interest. Any reports of regulatory requirements or changes relating to the ARC specifically, or charitable organisations generally, were noted along with any comments reflecting general social views. Media articles containing information on economic factors, such as the general economic environment and the effects of this environment on charitable organisations, were identified.

In the analysis of media articles, legitimacy events are broadly categorised and described in the coding book as any event that could affect the legitimate image of the ARC, and an observation was noted for any event or situation identified that might result in a legitimacy gap requiring the ARC to work at gaining, maintaining or repairing its legitimacy. Any situation that had the potential to result in a misalignment between the organisations current legitimacy setting, or its future legitimacy setting, and society's expectation can be defined as a legitimacy event. The researcher thus searched for any event or situation that might result in a legitimacy gap, and require the ARC to respond in some manner to manage its legitimacy.

The researcher proposed that legitimacy events would take on some characteristics that might aid in their identification as recurring themes through multiple mentions in the media articles and possibly the annual reports, and/or an effect on resources provided to the organisation in the way of donations and support (Sutton et al, 2010). Donations from the public to the ARC may decrease in the time period following a legitimacy event. The ARC largely relies upon the support of the public, who receive no tangible return from their contribution, for survival.

Patterns of donations are affected by the image of the organisation and competition for donations is intense due to various factors (Bennett and Gabriel, 2003), and charities image and reputation is suggested to strongly influence donor technique (Bennett and Gabriel, 2003). Donations would therefore potentially be affected by the presence of legitimating event(s).

#### **4.3.2 Legitimizing Techniques**

The coding book also contained rules to guide the identification of legitimacy techniques. Based on the literature review presented in Chapter 2, legitimacy techniques were defined as the use of legitimating tools adopted by the ARC to potentially repair gain or maintain its legitimacy over time. The framework developed in Chapter 3 was used to identify possible legitimating techniques. Tables 4.1 and 4.2, below, contain examples of possible legitimating techniques that may be utilised by the ARC for legitimacy management.

The list of legitimating techniques was developed from examination of the table presented in Appendix C (discussed in Chapter 3), which was developed by updating Suchman's (1995) table of possible legitimating techniques with further legitimating techniques observed in the literature. To facilitate coding, the legitimacy types and scenarios were removed to obtain lists of legitimating techniques that might be relevant to a charitable organisation such as the ARC. Each legitimating technique was colour coded to note possible related legitimacy events, and identify whether the event required the organisation to gain, maintain or repair legitimacy. Coding of legitimating techniques is discussed in more detail below with reference to the tables of legitimating techniques.

#### **4.3.3 Legitimizing Techniques – Communication Based Techniques**

The summary of communication based tools developed from Suchman's (1995) model was modified with reference to subsequent literature to develop Table 4.1 below. This table summarises communication based legitimating techniques, and informed the basis for coding the narratives contained in the annual reports. The communication component of the coding book was developed by summarising the communication techniques identified above and classifying them into categories. Table 4.1 is discussed below.

**Table 4.1 Disclosures – Communication Based Techniques**

|   |
|---|
| <b>Language Based narrative techniques:</b>   |
| <b>A. Educating/Informing:</b> <ol style="list-style-type: none"> <li>1. Narrative advertisements (Advertise/promote)</li> <li>2. Narratives discussion of image and image development</li> <li>3. Demonstrate Accountability (Protect exchanges) <ul style="list-style-type: none"> <li>- honest open narratives – transparency</li> <li>- communicate trustworthiness (stockpile trust)</li> </ul> </li> <li>4. Explanations (Conform to demands): <ul style="list-style-type: none"> <li>- narratives explaining how addressed constituents needs (respond to constituents needs)</li> <li>- narratives demonstrating how they are reliable and a good citizen (build reputation)</li> </ul> </li> </ol> |
| <b>B. Denials:</b> <ol style="list-style-type: none"> <li>1. Denial responsibility (Protect exchanges)</li> <li>2. Disassociation</li> </ol>  |
| <b>C. Emotive:</b> <ol style="list-style-type: none"> <li>1. Appealing to constituents (persuade and convert)</li> <li>2. Strong emotive language</li> </ol>  |
| <b>D. Positive/Assertive language:</b> <ol style="list-style-type: none"> <li>1. Communicate authoritatively (Protect propriety)</li> <li>2. Assertive narrative statements (narrative persuasion to convert constituents)</li> </ol>   |
| <b>E. Excuses and justification (Protect assumptions):</b> <ol style="list-style-type: none"> <li>1. Matter-of-factly clear narratives</li> <li>2. Excuses and justifications</li> <li>3. Explanations</li> </ol>   |
| <b>F. Evidence success:</b> <ol style="list-style-type: none"> <li>1. Demonstrate success (Persuade/Protect propriety):</li> <li>2. Accounting evidence and statistics</li> <li>3. Highlighting good image</li> <li>4. Communicate authoritatively with examples (Protect propriety)</li> <li>5. Accounting evidence of philanthropic donations/activities (Protect assumptions)<br/>Evidence/examples</li> <li>6. Particular disclosure such as CSR disclosures (Protect assumptions)</li> <li>7. Quantitative CSR disclosures</li> </ol>  |
| <b>G. Acknowledgements:</b> <ol style="list-style-type: none"> <li>1. Thanking a range of people</li> </ol>   |
| <b>H. Visual disclosures:</b> <ol style="list-style-type: none"> <li>1. Photos</li> <li>2. Graphs</li> <li>3. Tables</li> </ol>   |

The media articles and annual reports were coded to identify communication based legitimating techniques using the example listed in Table 4.1. Rules for coding each technique were developed using the prior literature that examined each type of technique as a guide. These rules were noted in the coding book. Category A communication based techniques relate to the role of educating or informing constituents for legitimating. Information on a topic that related to telling the story regarding that legitimacy event were coded as fitting into category A. Items within this category were further divided and coded into sub-categories. Legitimizing technique A1 narratives work to educate and inform constituents using advertisements and promotions, and A2 narratives discuss image and image development. A description for these techniques was developed using Suchman (1995). It was thought that charitable organisations would need to advertise and promote their work, services and fundraising campaigns in order to raise sufficient funds to continue.

To educate and inform constituents, organisations may use legitimating technique A3 demonstrating accountability using honest open narratives to indicate transparency and communicate trustworthiness (Suchman, 1995). This would be critical to charitable organisations due to their reliance on constituents for support and funds and an increased demand for transparency and accountability by constituents (Samkin and Schneider, 2010). Legitimizing technique A4 explanations (conform to demands) involve the use of narratives to explain how the organisation addressed constituent's needs and demonstrate how they were reliable and 'a good citizen' to build reputation (Suchman, 1995; Boiral 2015).

B1 denial responsibility (protect exchanges) and B2 disassociation (Suchman, 1995; Boiral, 2015) involve deflecting responsibility from the organisation to ensure legitimacy is not damaged, or damaged further, and to protect exchange agreements and arrangements, ensuring ongoing access to resources. Exchange agreements are probably not as high a priority for charitable organisations as maintaining access to resources, but with increasing shift to corporate structure, an increase in this type of legitimating technique might be expected.

Legitimizing technique C1, appealing to constituents to persuade and convert (Suchman, 1995), and C2, strong emotive language, could be particularly useful to charitable organisations who rely on the goodwill of constituents for continued support (Suchman, 1995). Legitimizing technique D1, communicate authoritatively to protect propriety, and D2, assertive narrative statements to persuade to convert constituents (Suchman, 1995; Ogden and

Clarke, 2005; Vaara, Tienari and Laurila, 2006). Legitimizing technique E1, matter-of-factly clear narratives (Suchman, 1995), E2, excuses and justifications (Suchman, 1995), and E3 explanations (Suchman, 1995; Vaara, et al, 2006; Boiral, 2015), involve using clear narratives to explain and persuade constituents. The ARC would be expected to increasingly speak clearly and provide explanations with increased communication and focus on accountability and transparency in the time period covered. Excuses and justification are expected to be less prevalent in the organisation's response.

Legitimizing technique F1, demonstrate success to persuade and protect propriety may involve narratives describing success (Suchman, 1995) but could also include F2, Accounting evidence and statistics (Daniels, Braswell and Beeler, 2010; Ryan, Dunstan and Brown, 2002; Watts, McNari and Baard, 2010). A charitable organisation such as the ARC will potentially use F3, highlighting good image, to ensure access to resources (Ref). Legitimizing technique F4, communicate authoritatively with examples to protect propriety (Suchman, 1995; Vaara, Tienari and Laurila, 2006), involves the use of authoritative examples to support the organisation's statements, with a focus on accountability. A charitable organisation such as the ARC could be expected to increasingly provide support for authoritative statements.

Legitimizing technique F5, accounting evidence of philanthropic activities rather than donations to protect assumptions on the organisation and other evidence and examples of could be utilised the ARC (Suchman, 1995, Caney, 2014). Much support in the literature has been observed for F6 disclosure, such as CSR disclosures (Patten, 1991; Tilling and Tilt, 2010; Koca-Helvaic, 2015) and F7, quantitative CSR disclosures (Cho, Freedman, and Patten, 2012), however it is expected that the disclosures could be different in nature to what might apply to a corporate for-profit organisation.

Legitimizing technique G1, acknowledgments, have not been researched in the literature but it was hypothesised that for a charitable organisation, thanking a range of people could be linked to maintaining a legitimate image. This proposal is based on the argument that the public will not want to support the organisation, or perceive them as a legitimate body worthy of taking their donations if the organisation does not express gratitude for their donations. Research suggest that legitimizing technique H1, photos (Samkin, Allen and Wallace (2010), and H2, graphs, and H3, tables (Wills, 2009), are utilised by organisations for legitimizing purposes.



To capture the use of a broader range of legitimacy techniques beyond narratives, the annual reports were also coded to identify any structural and procedural changes.

#### 4.3.4 Legitimizing Techniques – Structural and Procedural Changes

Based on the literature review and conceptual framework presented, the coding book was developed to include structural and procedural changes techniques. These techniques are presented in Table 4.2 below. With an increasing focus on accountability, it is contended that charitable organisations would be particularly focused on the role of structure and procedures in legitimacy management.

**Table 4.2 Structural and Procedural Techniques**

|  |
|--|
| <p><b><i>I. Set Policies and Procedures:</i></b></p> <ol style="list-style-type: none"> <li>1. Establish strategies, policies and procedures</li> <li>2. Create policies to police and monitor actions</li> </ol>  |
| <p><b><i>J. Implement policies and procedures (Select operating/domain):</i></b></p> <ol style="list-style-type: none"> <li>1. Implement policies to ensure goals met – accounting goals/principles/mission</li> <li>2. Produce definite outcomes (Conform to outcomes)</li> </ol>   |
| <p><b><i>K. Monitor Policies and Procedures (Protect exchanges):</i></b></p> <ol style="list-style-type: none"> <li>1. Police reliability using policies and procedures</li> <li>2. Policy and procedure audit</li> <li>3. Monitor organisational structure (Protect propriety)</li> <li>4. Structural audit and changes</li> <li>5. Police responsibility -check responsibilities being met – audit</li> <li>6. Protect assumptions - police opinions</li> <li>7. Monitor outlooks: <ul style="list-style-type: none"> <li>- consult doubters Monitor tastes</li> <li>- consult opinion leaders through surveys and consultation</li> </ul> </li> </ol> |
| <p><b><i>L. Evidence Success (standardise new models/structures):</i></b></p> <ol style="list-style-type: none"> <li>1. Demonstrate how meet existing legitimate standards</li> <li>2. Provide evidence of outcomes</li> </ol>   |
| <p><b><i>M. External cooperation and endorsement (Monitor ethics/Select markets):</i></b></p> <ol style="list-style-type: none"> <li>1. Locate friendly audiences– marketing research</li> <li>2. Recruit friendly co-optees</li> <li>3. Recruit partners and volunteers</li> <li>4. Consult professions for opinions</li> <li>5. Conform to models: <ul style="list-style-type: none"> <li>- mimic standards</li> <li>- formalise operations-policies</li> <li>- professionalise operations</li> </ul> </li> <li>6. Select labels - seek certification/professional membership and qualifications</li> </ol>  |
| <p><b><i>N. Restructure</i></b></p> <ol style="list-style-type: none"> <li>1. Create new structures</li> </ol>   |

- |   |
|---|
| <ol style="list-style-type: none"><li>2. Set new strategies, policies and procedures</li><li>3. Create new policies to police and monitor actions</li></ol> |
|---|

The first category of structural/procedural legitimating techniques relate to setting policies and procedures. The literature supports the notion that organisations may use legitimating technique I1, establish strategies, policies and procedures, and I2, create policies to police and monitor actions, to manage legitimacy (Suchman, 1995; Soobaroyen and Sannasee, 2007; Grafton, Abernethy and Lillis, 2011; Pittroff, 2014).

Organisations may also use legitimating technique J1, implement policies to ensure goals met, such as accounting (Suchman, 1995; Nahapiet, 1988; Irvine, 2002; Lasmin, 2011; Guerreriro, Rodrigues and Craig, 2013) and will need J2, produce definite outcomes, and provide evidence of these outcomes in their annual reports, for example (Watts, McNair and Baard, 2010). Category K, Monitor policies and procedures, recognises that the policies and procedures implemented need to be monitored for legitimating and to protect exchanges (Suchman, 1995).

Some examples of these have been observed in the literature on legitimacy including environmental management systems (Talyor, Sulaiman and Sheahan, 2011), internal financial planning and control practices (Soobaroyen and Sannasee, 2007), budget, inspection and PM practices (Fowler, 2009; Gaspar and Mkasiwa, 2015) and resource management (Bezjian, Holmstrom and Kipley, 2009), and the role of audit in legitimating (Colquhoun, 2013).

Organisations may also provide evidence of successfully meeting goals L1, demonstrating they are meeting existing L2, legitimate standards, and L3, provide evidence of outcomes (Suchman, 1995). An example of this in the literature could be the provision of meeting corporate governance or other regulatory requirements (Aziz, Manab and Othman, 2015; Schneider and Scherer, 2015), and including voluntary codes of conduct (Sarker, 2013).

The next category relates to external cooperation and endorsement, which have been identified as being potential legitimating techniques (Suchman, 1995; Fiedler and Deegan, 2007; Durocher and Fortin, 2010; Huybrechts and Nicholls, 2013; Jaumont, 2014; Mattingly and Westover, 2015; Odafe, 2015; Rueede and Kreutzer, 2015). In doing this, the organisation may M1 locate friendly audiences via marketing research, M2 recruit friendly co-optees, M3 recruit partners and volunteers, and M4 consult professions for opinions (Suchman, 1995).

In addition the organisation may use legitimating technique M5, conform to models, by mimicking standards, formalise operations through the use of policies, and professionalise its operations (Suchman, 1995). The organisation can also adopt legitimating tactic M9, select labels, by seeking certification/professional membership and qualifications (Suchman, 1995).

The final category of structural/procedural legitimating techniques relates to restructure. Organisations may N1, create new structures and/or restructure (Wang, 2010), N2, set new strategies, policies and procedures adopting legitimate structures (Stringellow, Shaw and Maclean, 2014; Mohamed, Shaikh, Ho, and Krishnan, 2014; Perrault, 2015; Perrault and McHugh, 2015), and /or N3, create new policies, to police and monitor actions to manage legitimacy.

The coding book facilitated the collection of data on possible legitimating events and legitimating techniques by the ARC, over time, under scenarios of legitimacy gain, maintain and/or repair.

#### 4.4 Coding

The researcher contacted the archives of the Australian Red Cross (ARC) requesting access to publicly available documents and was referred to the archivist of the ARC. After completion of permission to access documentation, access was provided to a broad collection of publicly available documents stored at the archives of the ARC at the Victorian Division's Head Office in North Melbourne, Australia. Study was undertaken of the media articles, annual reports and other documents available from the archives of the ARC.

The following information was either available at the archives or made available by the staff at the archives as an electronic resource:

- Newspaper clipping and printouts for 1914 to 2013
- Annual Reports and Financial Statements for 1914 to 2014

Various publications

- The Humanitarian Magazine 2006 to 2011 (2 or 3 per year)
- Red Letter publication 2006 to 2011
- Environmental Sustainability Strategy 2010-2013
- Strategy 2015
- Newsroom-media release archives 2000 to 2011
- Assorted brochures and publications

The publicly available information available from the archives of the ARC in Melbourne Australia was examined for the time period 1945 to 2014. This time span was chosen to allow a sufficient section of the life of the organisation to potentially allow the observation of all the phases of the legitimacy cycle. The period immediately following the end of WWII provided an appropriate starting point, with the organisation entering a new phase following the end of the war, as the ARC was originally set up in Australia with the main purpose of assisting soldiers during times of war.

The media articles and annual reports were coded to identify legitimacy events faced by the organisation, and legitimating techniques used by the organisation, over an extended period of time.

#### **4.5 Stage One – Media Articles**

The first stage of the data collection process involved examination of media articles for the period 1945 to 2014, using data accessible at the national archives of the ARC. The analysis was undertaken to observe legitimating events faced by the organisation during this time period. Newspapers available at the archives had been collected by the ARC because they comprise articles from major Australian news publications about the ARC or charitable organisations in general. Newspaper clippings available at the ARC include The Herald, The Australian, The Age and The Argus for the period examined. The clippings were reviewed using the theoretical framework, developed above, and the coding book, to identify events that comprise legitimating factors relevant to the ARC and to identify possible legitimating techniques adopted by the organisation.

Media article clippings were stored at the archives for the years 1914 through to 1998. Large journals containing an estimate of more than 5 000 newspaper clippings and articles were examined. Appendix B provides a summary of the sources of media articles examined. Clippings for the remaining years, from 1996 to 2014, were accessed using printouts from the archives via the X media program and the National Archives of Australia online portal. Newspaper clippings were examined from newspapers including The Herald, The Australian, The Age and The Argus during that period. The online examination was more refined and contained more than 400 articles. The organisation's website was also accessed to obtain further descriptive information about the ARC.

Media articles could not be physically removed from the archives and there were some limitations on the handling and copying of the articles. As it was not possible to have two

coders present at the archives, the researcher had to collect as much data from the articles on location and arrange for capture of a digital copy of relevant articles by the Archivist of the ARC. The files of media clippings are comprehensive but it could not be assumed that the collection comprised a complete collection of articles. This stage of data collection was undertaken as a form of preliminary data collection and discovery, to identify factors and events faced by the organisation that may have impacted on its legitimacy over the relevant time period, and to allow the researcher to obtain a general understanding of the organisation and its history.

Excel spreadsheets were compiled listing the date, source of each article, catalogue location, and possible legitimacy events and factors identified. Any event that may have posed a possible legitimacy concern to the organisation, or that provided interesting landmark information about the organisation, was specifically recorded on the spreadsheet and a digital copy obtained. Because the media articles were written from a third party perspective, it was proposed that they would be most useful for identifying possible legitimacy events because narrative tools could be limited; however, any techniques from the ARC were noted and any quotes contained in media articles were recorded where appropriate. A legitimacy crisis or event is likely to occur when the organisation violates deeply established social norms and values (Sellnow, Ulmer, and Snider, 1998).

Legitimacy events had been broadly categorised in the coding book as any event that results in a misalignment of the values of the organisation and those of society, affecting the legitimate image of the ARC (Suchman, 1995), potentially resulting in a legitimacy gap. The researcher examined the data sources for any event or situation that might result in a legitimacy gap. An observation was noted for any situation that might cause the ARC to need to utilise legitimating techniques to gain, maintain or repair legitimacy.

The media articles were examined to identify and note recurring topics, direct criticisms of the ARC, and negative comments relating to the charity sector in general that might cause a misalignment of the ARC's legitimacy with society's expectations. Examination of media articles was undertaken to observed criticisms of the ARC directly, and negative comments relating to the organisation or to charitable organisations generally, that might cause a misalignment of the ARC's legitimacy setting with society's expectations. Content analysis of the annual reports was used to extend upon this discussion and further provide support, or

otherwise, for classification of legitimating events and identification of legitimating techniques used by the organisation.

#### **4.6 Stage Two - Annual Reports**

Stage Two of the collection and analysis involved a content analysis of annual reports for the year ending June 1946 to year ending June 2014, comprising 69 annual reports in total. This analysis was undertaken to identify a range of potential legitimacy events and potential legitimating techniques over time. Annual reports for the relevant period were obtained from the archives of the ARC. Following the framework developed in Chapter 3, the data collection and examination process aimed to identify particular legitimacy techniques chosen by the ARC depending upon the whether they need to gain, maintain, repair legitimacy, along with the legitimacy setting and the underlying factors.

The researcher coded the annual reports for the ARC by hand, following the coding book discussed above. Annual reports were printed, colour coded and tagged manually consistent with the categories identified in the coding book. To increase the validity of the data, an initial sample of annual reports, comprising 10% of the total annual reports examined, were coded by the researcher and an independent coder. Three annual reports were coded independently by each of the coders, and then compared. Any differences were reconciled, and the coding book was updated using the literature presented in Chapter 2 to guide the process. The coders then coded a further four annual reports. The results were compared, any differences were reconciled, and the coding book was updated with additional notes and guidance to reduce any further differences.

The remaining annual reports were coded by the researcher with reference to the coding book. In addition, the researcher reviewed the coding between annual reports, and with reference back to the coding book, to minimise inconsistencies.

Legitimacy techniques were identified using the coding book, and noted on an Excel spreadsheet. Legitimacy techniques were categorised using the criteria outlined in Chapter 3 as communication based or structural/procedural. General observations were also made from the analysis of the annual reports on the organisation's legitimacy setting, and changes in the shape and structure of the annual reports over time.

## **4.7 Analysis of Coded Data**

The data collected from the media articles was collated on worksheets and studied for common themes to identify legitimacy events and legitimating techniques, using the rules outlined in the coding book. This information was then collated on worksheets, ready to compare to the information collected from the annual reports.

The annual reports were coded using the rules identified in the coding book and the information on legitimacy events and techniques collated on worksheets. Comparing the information collected from both data sources, legitimacy events were examined for common themes and collated on a worksheet. Possible legitimating techniques were then identified and entered on the worksheet for each legitimacy event within each theme. This process and the results are discussed in detail in chapters 5 through to 8.

## **4.8 Concluding Comments**

This chapter presented the research method use to facilitate the collection of information on legitimacy events and techniques and the success of techniques adopted. The result of the data collection and analysis are presented in Chapters 5 through 8. Results of the media analysis and annual reports for legitimacy events are presented in Chapter 5 in the context of Research Question 1. From this analysis, legitimacy events were categorised into three themes. Legitimizing techniques relating to Theme 1 are discussed in the context of Research Question 2 in Chapter 6, and Themes 2 and 3 are discussed Chapters 7 and 8 respectively. Research Question 3 is discussed in Chapter 9.

## **Chapter 5: Overview - Data Analysis and Results**

### **5.1 Introduction**

Chapters 5 through 9 present the research findings of the thesis. This chapter presents results and discussion relating to Research Question 1, relating to identification of legitimacy events. Chapters 6 through to 8 present findings in relation to the second research question, identifying legitimating techniques used by the ARC in relation to each legitimacy event to manage its legitimacy setting and work to gain, maintain and/or repair its legitimacy over time. Chapter 9 presents results in relation to the third research question, providing an assessment of whether the organisation was successful in managing its legitimate image, to positively influence its legitimacy setting through the use of legitimating techniques. A broader discussion of the findings is followed by development of a final discussion and conclusions presented in Chapter 10.

Information was collated regarding legitimating events that occurred in the operating environment of the ARC, over the relevant period, which may have potentially impacted its legitimacy setting. Media articles were examined to identify any event or circumstance that met the criteria of a legitimacy event, as outlined in the coding book. Annual reports were also examined to identify any further evidence of legitimacy events. The observed legitimacy events were categorised into a set of overarching themes. Observation of legitimacy events, and development of legitimacy themes, is presented in the next section.

### **5.2 Analysis of Media Articles**

Recurring topics observed in the media articles were noted because it was thought that they could provide information on the foundation and form of the organisation from which legitimacy events might rise. Table 5.1, below, provides a summary of topics covered in the media articles. A fuller summary of recurring topics is contained in Appendix D. Frequently mentioned topics include discussion of programs, both local and international, fundraising, the role of the Red Cross, the Blood Transfusion Services, and a variety of events that might constitute legitimacy events. Summary tables were drafted for each of these areas.



**Table 5.1 Media Articles – Summary of Topics**

| <b>Date</b>  | <b>Common Topics</b>   |
|--------------|--|
| Ongoing      | Red Cross work in peace time/need for Red Cross in peace time                                  |
| Ongoing      | Programs and activities  |
| Ongoing      | Fundraising/need for funds to continue providing services(Appendix E )                         |
| Ongoing      | Advertising/need for public support  |
| Ongoing      | Role of the Red Cross in Australia (Appendix F)  |
| Ongoing      | Need for reform/keeping up with change   |
| Ongoing      | Need for members and volunteers to maintain services   |
| Ongoing      | IHL programs and misuse of emblem  |
| Ongoing      | Youth activities and need for youth involvement  |
| Ongoing      | Various one off events (Appendix H)  |
| Ongoing      | Criticisms of specific fundraising events (Appendix I)   |
| Ongoing      | Need to refine, cut or modify services and consolidation of organisation to national structure |
| Ongoing      | Criticisms of charity based organisations specific and general (Appendix J)                    |
| 1991-1995    | Charity's tax threat (Appendix J)  |
| 2002 onwards | Bali bombings Criticisms over use of funds(Appendix K)   |
| 2004         | Boxing Day Asian Tsunami Criticism over use of funds (Appendix K)                              |
| 2009         | Victorian Bush Fires Criticism over use of funds (Appendix K)                                  |
| Ongoing      | Blood Transfusion Service (Appendix G)   |
| Ongoing      | Need for blood donations (Appendix G)  |
| Ongoing      | Blood contamination issues (Appendix G)  |

The many programs offered by the ARC have been covered in media articles, with the discussion including services such as POW exchanges and returns, programs for returned soldiers and their families, various services for Tuberculosis (TB) sufferers, a variety of emergency relief programs locally and abroad, nutrition programs, first aid programs and Junior Red Cross activities.

Details of the ARC's fundraising activities and the ever increasing need for funds, as well as member and volunteer support, become clear in the media articles. Appendix E provides examples of articles covering fundraising, and the need for support from the public, including funds, member support and volunteer support. Increasing needs for funds arose with demand for services because a fairly young country faced the task of readjusting after the end of WWII whilst supporting returned soldiers and building services required for development of a nation. These demands, combined with many natural disasters and worldwide wars, put further pressure on the organisation. In addition, Australia faced times of increased demand from poor economic climate due to inflation in the 1980s, and the Global Financial Crisis in the late 2000s.

Media articles also discuss the role of the ARC in society, highlighting the need for the Red Cross in peace time, and the need for the ARC in society in general. The media articles frequently focused on the Red Cross' role in society. Appendix F provides examples of media articles on this topic. While the role of the Society developed in Australia around WWI and WWII, the organisation appeared vulnerable after the end of the Second World War, and many articles discussed the need for, and role of, the Society in peacetime. As Australia evolved as a country, many articles discussed the role of the ARC, along with the role of charitable organisations in Australia, with major focus and concerns over these types of organisations, their processes, administration costs, and taxation concerns appearing in the 1990s (see Appendix H).

The Blood Transfusion Services (BTS) were mentioned frequently in the media articles. Repeated advertisements and articles were observed across various newspapers, calling for blood donors . Appendix G summaries information regarding the BTS as outlined in the annual reports. Many concerns over the blood services were also noted with ongoing concerns about meeting increasing demand for blood in times of increasing costs and concerns over the safety of blood products.

Analysis of media articles provided an overview of the legitimacy setting, and changes in its setting over time, necessary to answer research questions 1 and 2, and identify legitimacy events and legitimating techniques of the ARC over the relevant period. Identification of possible legitimacy events and development of legitimacy themes will be discussed next. The perspective adopted in media articles was not directly examined as this was not within the scope of this research, but the articles were observed as presenting multiple perspectives. However, the media articles were examined from the organisation's perspective in the sense that they were examined for evidence of possible legitimacy events that would potentially affect the legitimacy of the ARC.

### **5.3 Legitimacy Events – Media Articles**

The coding book, discussed above, was used to observe and note legitimacy events faced by the organisation. It was perceived that legitimacy events could also take on some characteristics that might aid in their identification, such as multiple mentions in the media articles and annual reports. These events may effect resources provided to the organisation in the way of donations and support (Sutton et al, 2007).

### **5.3.1 Identification of Legitimacy Events**

As identified in Sections 3.4 and 4.3.1 above, a legitimacy event was identified as any event or occurrence that suggested that the ARC's values, as represented through its actions and communications, were not in line with the values of society. In addition any situation or occurrence that provided evidence of legitimacy distress through the presence of social, economic and/or political factors, was flagged as a legitimacy event for the organisation. Potential legitimacy misalignment, resulting from the direct actions of the ARC itself, was also noted.

Examination of media releases identified possible legitimacy events directly relating to the ARC, direct criticisms of the ARC, and negative comments relating to the organisations or the NFP Charity sector in general that might cause a misalignment of the ARC's legitimacy setting with society's expectations. Possible legitimacy events that relate to charity based organisations were noted because of their potential to result in an effect on the support for the charitable organisations in general, and therefore affect the ARC.

Recurring topics occurring in media articles and annual reports, and the tables containing this information, were discussed above. Upon examination of the information collated in these tables and the spreadsheets prepared from coding of the resources, tables of possible legitimacy events were developed. Appendix H provides examples of legitimacy events faced by the ARC and charitable organisations in general. Various examples of possible legitimacy events were identified and further summarised into categories of Fundraising concerns, criticisms and events faced by charitable organisations, and specific events challenging the Red Cross. Summary tables were created for each category.

### **5.3.2 Role of the Red Cross in Australia**

The media articles frequently focused on Red Cross' role in society, highlighting the need for the Red Cross in Peace time, and the need for the ARC in society in general. Appendix F discussed provides examples of media articles on this topic. Many articles discussed the role of the ARC, along with the role of charitable organisations in Australia, with major focus and concerns over these types of organisations, their processes, administration costs, and taxation concerns in the 1990s.

### **5.3.3 Fundraising and Collection Issues and Public support**

The media reports provided many details of its fundraising activities and the ever increasing need for funds, and member and volunteer support. Appendix E provides examples of articles

covering fundraising and the need for support from the public including funds, member support and volunteer support.

In addition, separate incidences were identified concerning individual fundraising events, and these were listed separately in Appendix I. The majority of fundraising issues identified in Appendix I relate to individual incidences involving scams such as bogus doorknockers. The payment of doorknockers was raised, along with council rules relating to collections of funds and clothes and several other fundraising scams. Some individual fundraising concerns relating to specific funds resulted in long lasting criticisms of the ARC: These were the Bali Bombing fund (2003), the Asian Tsunami fund (2005) and the Victorian Bush Fires fund (2009).

#### **5.3.4 Criticisms and Events affecting Charitable Organisations**

Incidences relating to criticisms of other charity based organisations in general, and specific incidences relating to other charity based organisations and the Red Cross, are listed in Appendix J. Tax concerns have arisen over the years (1947, 1974, and 1991) and in many articles (1994 through to 1998) concerning tax deductibility of charitable donations and tax exempt status of these organisations. Concerns about the use of funds by charitable organisations arose at various times from the 1980s onwards including the percentage of funds used to cover administration costs.

Concerns regarding the need for rules for charities were raised at various times, including calls for review of aid body funding (1991) at a time of various scandals and concerns for charitable organisations such as the RSPCA and Care Australia (1991), and concerns over high welfare wages and fundraising costs, and distribution of funds (1994). The Australian Government responded with a Federal Government Inquiry (1994) and review of charity related taxation issues. The Government waned on charity rules but new industrial law cause further concern (1994).

The ASC gave charitable organisations an investment plan break but the taxation debate continued (1994). The 1994 review examined the accounting practices of charitable organisations with calls for an overhaul of the system relating to charities in a time of crisis. The Industry Commission's public inquiry report was signed off by the Commission in June 1995. The report covered topics such as the role and structure of the charity sector,

developments in the sector, funding, fundraising, accountability client fees and taxation arrangements (Productivity Commission, 2016).

Criticisms over charities continued with further concern over the reliance of charities on public money and the distribution of funds in 1995, with further scandals and an inquiry into the Care Australia funding scandal, and criticism of Amnesty for paying officials private school fees. Calls for a code of conduct for charitable organisations increased to allow these organisations to regain the public's trust, with many media articles covering the Care Australia scandal throughout 1995. The Catholic charity, St Vincent de Paul, also came under scrutiny in 1995, with a new funding scandal and increased focus on the percentage of funds being used for administration costs.

Further scandals arose in 1995 with Unicef charged with fraud, and criticisms of the MS Society as the government pushed ahead with the idea of a Charity Code. An audit of Care Australia showed misuse of funds, and with decreased donations, the organisation had to cut back staff in 1995. Other charities were also struggling in this difficult time with the Salvation Army forced to decrease services. Taxation changes were decided against in 1995, but arose again in 1998.

#### **5.3.5 Direct Criticisms of the ARC**

Appendix K contains summaries of specific events and direct criticisms of the ARC. Following WWII, justification of the use and winding up of patriotic funds was of concern, and ongoing challenges arose with meeting needs of society, including the possibility of cutting services (1948). Various one off criticisms of the organisation were noted in the media articles, including one of events involving theft charges (1952), concerns about structure and calls for national structure of the Red Cross, and administration concerns (1952). Accusations of cat food for fire victims (1983), and issues of squatters at a Red Cross youth refuge (1983) were noted.

Concerns arose over particular Red Cross programs, such as a dispute with pensioners' taxi service transport (1987), a plane fraud case, and misuse of earthquake funds (1990). Staff harassment claims were made in 2005, and there were direct criticisms of the organisation for its use of the Asian Tsunami Fund in 2005, the Bali Bombing Fund (2003) and the Victoria Bushfire Fund (2009). Concerns regarding the percentage use of funds continued with direct criticism of the Red Cross for its percentage of administration costs in 2005.

There were so many references and concerns regarding the BTS over an extended period of time that a separate table was created for BTS legitimacy events.

### **5.3.6 Blood Transfusion Service (BTS) –Legitimacy Events:**

Issues relating specifically to the BTS are contained in Appendix G. The BTS faced many potential issues over its life, and at one point it almost collapsed through lack of funds and support in the face of litigation over contaminated blood given to recipients before screening policies were introduced. Some of the smaller concerns outlined in the media articles were doctors charging fees for blood transfusions, injury from donating blood, such as the girl who died after falling down stairs after giving blood (Herald, 1946), the black market in blood (Truth, 1947), ongoing issues with contamination of blood from the 1970s onwards, and bearing the costs of supporting the service.

In 1972, issues arose of blood donated in Australia containing Hepatitis B and C. It was problematic to balance between protecting blood recipients against infection, and accepting enough donors to maintain an adequate supply of blood. Ongoing debate arose over which donors should be excluded. From 1982, the BTS faced further criticisms over the use of contaminated blood and AIDS and Hepatitis C.

In 1994, the blood treatment laboratory, CSL, was privatised, becoming CSL Limited. The BTS continued to supply CSL with donated blood for medical research purposes. This caused a major public-relations crisis for the BTS when it became known that blood donated for public benefit, without payment, was being used by a private industry for financial gain. In 1995, the government undertook an examination and reported on the blood services. In 1996, a separate national structure for the blood services, called the ARCBS, was founded, encompassing previous state and territory services.

Various issues with excluding particular donors have arisen over the years. In 2001, a new policy precluding people who spent more than 6 months in UK from donating caused expected losses of more than 50 000 donations from 23 000 donors at that time. A Contingency plan to replace donors included a range of strategies to recruit and retain donors, increase frequency of donations and monitor management of blood inventories. The Commonwealth review of the Australian Blood Banking and Plasma Product Service was undertaken in June 2001. This review resulted in a 180 page report, which included 17 recommendations, such as the continuation of the existing voluntary non-remunerated blood

donation system, provision of free blood products, centralised funding of the blood service, and establishment of a National Blood Authority.

In 2003, a Federal Government report found that despite the introduction of Hepatitis C screening from February 1990, infected donors were told to keep donating until July of that same year; a total of 20,000 people were estimated to have been infected with Hepatitis C via blood products. Some infected blood was given to CSL and may have been used in thousands of CSL products, although it has not been shown that any of these products caused infection in the recipients. Table 5.2 summarises the main legitimacy events affecting the BTS.

**Table 5.2 Legitimacy Events BTS**

| Date                        | Legitimacy Events/Issue   |
|-----------------------------|---|
| <b>Ongoing Concerns</b>     |   |
| Ongoing                     | AIDS contamination of blood and blood screening   |
| Ongoing                     | Legal claims against the ARC for compensation from blood recipients and AID compensation payments |
| Ongoing                     | Concerns over the screening process   |
| Ongoing                     | Hepatitis C contamination of blood  |
| Ongoing                     | Risk of blood contamination from CJD  |
| Ongoing                     | Need for blood donations/donors   |
| Ongoing                     | Need for funding of BTS – draining organisation of funds  |
| <b>Specific Incidences:</b> |   |
| 1946                        | Doctors' fees for blood transfusions  |
| 1946                        | Girl died falling down stairs after giving blood  |
| 1947                        | Calls for national blood service  |
| 1954                        | Two die after blood transfusion   |
| 1954                        | Tassie family sues ARC and RHH for damages  |
| 1957                        | Mother dies from blood group error  |
| 1957                        | Issues over storage of blood  |
| 1958                        | Girl dies after blood transfusion   |
| 1960                        | Malaria transmitted through blood transfusions  |
| 1961                        | Blood transfusion error – man dies  |
| 1978                        | Blood destroyed in storage  |
| 1979                        | Red Cross criticised over white cell donors   |
| 1980                        | Two hour wait to give blood, calls to improve mobile blood bank service                           |
| 1983                        | Ban on homosexual people donating blood   |
| 1983                        | Blood bank payroll looking  |
| 1991                        | 7 year old girl Holly dies from AIDs caught from mother who was blood recipient                   |
| 1994                        | Medicare review for patients wishing to donate own blood before surgery                           |
| 1994                        | Teenage boys with AIDs from blood transfusion given compensation                                  |
| 1995                        | Leaky blood bag issues  |
| 1995                        | Canadian blood disease scare  |
| 1998                        | Red Cross considering charging for blood  |
| 2005                        | Closure of some blood banks/ remove use of volunteers   |
| 2008                        | Homosexual man events Red Cross donation rules at Anti-Discrimination                             |

|      |   |
|------|---|
|      | Tribunal  |
| 2010 | ARC placed two year ban on donors who had Chronic Fatigue       |
| 2010 | Heating at one blood services failed – samples required testing |
| 2012 | Contaminated blood recalled blood used in intensive care        |

### 5.3.7 Summary of Legitimacy Events:

From the study of media articles, a summary of legitimacy events was prepared. The main issues identified were classified as relating to the role of the organisation, particularly in peacetime, maintaining support including funds, members and volunteers, dealing with criticisms of charitable organisations and direct criticisms of the ARC, including concerns over the BTS.

Table 5.3 provides a summary of significant legitimacy events faced by the organisation, drawn from the discussion and tables above. These events all relate back to the core concept of gaining, maintaining or repairing legitimacy, the organisation's legitimate image and relevance, and its long term survival. Events have been classified as ongoing if the issues continued over many years. Legitimacy events were further divided into three Themes relating to the Role and relevance of the organisation, Criticisms of the ARC and charitable organisations and the BTS.

**Table 5.3 Legitimacy Events summary**

| Date  | Gain/Maintain/Repair Legitimacy | Legitimacy Events/Issue  |
|---|---------------------------------|--|
| <b>Role/relevance</b>   |                                 |  |
| Ongoing   | Gain/Maintain                   | Red Cross work in peace time/need for Red Cross in peace time  |
| Ongoing   | Gain/Maintain                   | Need for reform/keeping up with change   |
| Ongoing   | Gain/Maintain                   | Need for funds to continue providing services  |
| Ongoing   | Gain/Maintain                   | Need for members and volunteers to maintain services   |
| Ongoing   | Repair                          | Misuse of emblem – IHL and principles  |
| Ongoing   | Gain/Maintain                   | Youth activities and need for youth involvement  |
| Ongoing   | Gain/Maintain/Repair            | Various one off events– Table 5.   |
| Ongoing   | Repair                          | Criticisms of specific fundraising events - see Table 5.   |
| Ongoing   | Maintain/Repair                 | Need to refine, cut or modify services and consolidation of organisation to national structure- see Table 5. |
| <b>Criticisms and Events facing ARC and Charitable Organisations:</b> |                                 |  |
| Ongoing   | Maintain/Repair                 | Criticisms of charity based organisations specific and general - see Table 5.                                |
| 1991-1995   | Maintain                        | Charity's tax threat – see Table 5.  |
| 2002 onwards  | Repair                          | Bali bombings Criticisms over use of funds   |
| 2004  | Repair                          | Boxing Day Asian Tsunami Criticism over use of funds   |
| 2009  | Repair                          | Victorian Bush Fires Criticism over use of funds   |



| <i>Blood Transfusion Services:</i> |                      |                            |
|------------------------------------|----------------------|----------------------------|
| Ongoing                            | Gain/Maintain/Repair | Need for blood donations   |
| Ongoing                            | Repair/Maintain      | Blood contamination issues |

## 5.4 Legitimacy Events – Annual Reports

The annual reports were also examined for legitimacy events and techniques, following the guidelines set out in the coding book. Consistent with the analysis of media articles, legitimacy events were broadly categorised as any event that could affect the legitimate image of the ARC, and an observation was noted for any event or situation identified that might result in a legitimacy gap requiring the ARC to work at gaining, maintaining or repairing its legitimacy. Appendix L summarises the legitimacy events identified in the annual reports for each year from 1946 (July 1945 to June 1946 financial year) through to June 2014.

Consistent with the analysis of media articles, the annual reports were studied for common themes and legitimacy events. General observations on annual reports were identified above. Appendix I provides details for each annual report of these observations and possible legitimacy events. Consistent with the observations made from the media articles, common topics and concerns were identified in the annual report. Following the end of WWII, the organisation commonly discussed the need to clarify its role in peace time, and it struggled to maintain support, suffering many deficits.

Other common themes were issues relating to maintaining support of the public, both financially through donations and membership, and the support of volunteers. Other events faced by the organisation identified in the annual reports related to maintaining its image and demonstrating its need in society; in particular, in relation to working in line with its core principles and performing its functions of IHL oversight. The BTS and its many events were discussed in every annual report.

Specific events with administration of a widespread organisation with initially no centralisation were discussed, along with threats to the organisation's image from criticisms of charitable organisations in general, and direct criticisms of the ARC. The information across the two forms of analysis were consistent, and the information was brought together to identify common overarching legitimacy themes

## 5.5 Legitimacy Events – Identification of Overarching Themes

This analysis was then compared to the results of the examination of the media articles for legitimacy events, which were presented in Tables 5.3 and Appendix J. Some of the events were found to recur multiple times in the time period covered and were many events were found to have common themes. The events were thus grouped into Legitimacy Themes which are presented in Table 5.4. The groupings confirmed and extended upon the list of events identified in the analysis of media articles presented in in Table 5.3, above.

Theme 1 – Role of the ARC is further divided into categories of the Role in peace time, Ensuring role in society – future of the ARC and General criticisms of charitable organisations and the ARC. The organisation’s legitimating techniques were identified for each category. This theme is extensive, containing many components.

Themes 2 relates to criticisms over charitable organisations, both specific and general, and includes general criticisms of charitable organisations, smaller isolated events faced by the organisation, and potentially significant negative events faced specifically by the ARC. Theme 3 covers the many concerns facing the BTS, including keeping up with increasing demand, blood contamination and testing and rising costs.

**Table 5.4 Legitimizing Themes**

| <b>Theme</b> | <b>Legitimacy Themes</b>  | <b>Comments</b>                                    |
|--------------|---|--|
| <b>1</b>     | <p><b>Role of the Australian Red Cross</b></p> <p><i>Role in peace time:</i></p> <ul style="list-style-type: none"> <li>a) Need for and role of the Red Cross locally and overseas during times of peace</li> </ul> <p><i>Ensuring role in society – future of the ARC</i></p> <ul style="list-style-type: none"> <li>b) Ensuring a good image</li> <li>c) Youth – role of the Junior Red Cross</li> <li>d) Maintaining Support</li> <li>e) IHL management</li> <li>f) Fundamental Principles</li> </ul>  | <p><i>Maintaining and Gaining Legitimacy</i></p>   |
| <b>2</b>     | <p><b>Criticism over the ARC and Charitable Organisations:</b></p> <p><i>General Criticisms and concerns:</i></p> <ul style="list-style-type: none"> <li>a) Percentage of funds used for administration costs and accountability concerns</li> <li>b) Taxation of charitable organisations</li> </ul> <p><i>Criticism over use of funds - Specific events:</i></p> <ul style="list-style-type: none"> <li>c) Bali bombings</li> <li>d) Boxing Day Asian Tsunami</li> <li>e) Victorian Bush Fires</li> </ul> <p><i>Smaller Isolated Events:</i></p> <ul style="list-style-type: none"> <li>f) Staff bullying and harassment claims</li> <li>g) Fundraising concerns</li> </ul> | <p><i>Repairing Legitimacy</i></p>                 |
| <b>3</b>     | <p><b>Blood Services – ongoing issues:</b></p> <ul style="list-style-type: none"> <li>a) Keeping up with increasing demand</li> <li>b) Blood contamination and testing</li> <li>c) Rising costs</li> </ul>  | <p><i>Repairing and Maintaining Legitimacy</i></p> |

## 5.6 Concluding Comments

This chapter described the analysis of media articles and other resources available at the Archives of the ARC. An overview of topics observed in the media articles was presented. Topics observed in media articles included general advertising of the organisations, its role in society, particularly in peace time, fundraising, its need for assistance, its many programs, and the Blood Transfusion Service.

The analysis of the media articles identified possible legitimacy events that may impact on the organisation's legitimacy. The observed legitimacy events were found to have commonalities and were divided in three overarching legitimacy themes. Three main legitimacy themes identified were the Role of the ARC, criticisms over charitable organisations (both specific and general), and ongoing concerns about the BTS. Theme 1 – Role of the ARC was further divided into categories of the Role in peace time, Ensuring role in society – future of the ARC and General criticisms of charitable organisations and the ARC. Legitimizing techniques utilised by the organisation were identified for each category.

Theme 2 relates to criticisms over charitable organisations (both specific and general) and includes general criticisms of charitable organisations, smaller isolated events faced by the organisation, and potentially significant negative events faced specifically by the ARC. Theme 3 covers the many concerns faced by the BTS, including keeping up with increasing demand, blood contamination and testing and rising costs. Through analysis of the media articles and annual reports and legitimating techniques were observed for each theme of legitimacy events introduced in this chapter. Theme 1 legitimating techniques are discussed in Chapter 6, Theme 2 legitimating techniques are discussed in Chapter 7, and Theme 3 legitimating techniques are discussed in Chapter 8.

## **Chapter Six: Results –Theme One Legitimizing Techniques**

### **6.1 Introduction**

This chapter is the second of the results chapters, and presents legitimating techniques observed relating to Theme 1: Role of the ARC - The ongoing role of the ARC in society. Re-establishing and maintaining the organisation's role in society increasingly became a concern following the end of WWII, when the organisation needed to demonstrate they were a necessary part of society moving forward. The organisation utilised a range of legitimating techniques in response to this challenge. Classification of this event is outlined in Chapter 5, and a brief overview of this event is provided here.

The ARC began in Australia in 1914 following the commencement of WWI, and the organisation had become an established and well-supported body by the end of WWII in 1945. The organisation was well accepted by this point, having demonstrated an established role during the two world wars of providing for soldiers, and a role in rehabilitation demonstrated between the two wars. By the end of WWII the organisation held a range of roles in society, and following the end of the war the organisation took over the blood units previously run by the Australian Army. However, concern over future directions continued to challenge the organisation, and it identified it would need to demonstrate that it was still a necessary part of Australian society to ensure ongoing support and continued access to resources into the future.

Analysis of recurring topics relating to the role of the ARC identified two sub-themes. These sub-themes are: the organisations role in peacetime, and ensuring its ongoing role over time by managing its image, ensuring youth involvement, maintaining support, ensuring appropriateness of and adherence to fundamental principles, and effective IHL management. Each sub-theme is discussed below in the context of legitimating techniques observed.

### **6.2 Legitimizing Techniques – Role of the ARC**

Legitimizing techniques relating to the role of the organisation were identified and collated using the coding rules presented in Chapter 4. Media articles and annual reports frequently emphasised the ongoing importance of the Red Cross in peacetime and moving forward, to educate the public on the need for the organisation, and the need for continued support from the public. Appendix G contains summaries of topics covered in media articles relating to the role of the organisation. Appendix M contains information on legitimating events and

responses observed in the annual reports. Legitimizing techniques for each theme and sub-theme are discussed next.

### **6.3 Legitimacy Theme 1: Role of the Australian Red Cross in Peacetime**

Communication and structural/procedural legitimating techniques were observed in relation to the challenge of ensuring the organisation's ongoing role in society in peacetime. Media articles were frequently devoted to educating and informing the public on the need for the organisation in times of peace, and annual reports were used to highlight the need for, and role of the Red Cross, both locally and overseas during times of peace (ARC, 1946; ARC 1947; ARC, 1948).

#### **6.3.1 Role in peacetime – Communication Based Techniques**

Narratives contained in the annual reports in particular educate and inform constituents on the transition to a peacetime organisation, utilising a range of communication based legitimating techniques. The new role of the ARC following the end of WWII was highlighted with frequent discussion of the organisation's usefulness in peacetime (ARC, 1950), the need for the Red Cross in peacetime (ARC, 1952) and the role of Red Cross in peacetime (ARC, 1954). Establishing the role of the ARC in peacetime was hampered by the perception that the main function of the Red Cross was in wartime (ARC, 1948). Information on how the transition would be managed was provided (ARC, 1946), along with details of the challenges of the transition (ARC, 1947).

Following WWII the demand for services was changeable, with war-time programs coming to an end, and increased demand in other areas. Government services were increasing, but Australia was still a relatively young evolving nation, and services were very limited in some areas, with frequent delays. The organisation argued that the ARC would need to fill this gap (ARC, 1947). The annual reports were used to ensure the public were educated on the many services provided by the ARC both internationally and locally, with examples of assistance provided such as letters to repatriated prisoners of war, rehabilitation facilities in convalescent homes, and sheltered workshops (ARC, 1946).

The language used to describe services, and educate the reader on the need for the ARC in peacetime, was frequently emotive and assertive, with many examples of success and explanations. Strong assertive language was used to highlight the need for the organisation to continue in providing services to those affected by war, and convince constituents of the broader need for the organisation in society, contending that the need for the Red Cross was

still strong and urgent (ARC, 1946). However, the perception that the main function of the ARC was in war time continued to concern the organisation (ARC, 1948).

The difficulties of guiding the society in time of transition were outlined, with strong assertive language used to reinforce the need for support of constituents, and assert the importance of their role in keeping the organisation alive (ARC, 1947). Evidence of the relevance of the organisation asserting the movement was very much alive and necessary (ARC, 1949). Some assertive statements on the organisation's peacetime role also contained evidence of success, demonstrating highlights of the year as evidence of the need and worthiness of the organisation, and highlighting the underlying principles of the organisation (ARC, 1981).

The organisation explained the need for the ARC, contending that the limitations of government services reinforced the need for Red Cross services, with the government requesting the ARC continue work in hospitals during the transition (ARC, 1947). It was also explained that resulting delays in clients receiving assistance from the government increased the need for ARC services (ARC, 1947). Language around the continued need for the ARC in peacetime was frequently emotive in nature. The organisation worked on restructuring and forging a way forward, and this was described in an emotive manner, highlighting the importance of the ongoing support of constituents during the transition and into the future:

"For those who remain the task though different is not less. The days of peace are full of misery and suffering many lands, and discord and division are rife. They call for the application of Red Cross ideals and service on a scale hitherto untired. For that the national and international foundations of the RC are being remoulded.....with its millions of adherents, may be able to do its part in saving humanity from the abyss" (ARC, 1946)

Transition was exasperated by increasing demand for new and varied services in times of financial constraints with contracting donations. This was explained using emotive language that was also frequently quite assertive in nature (ARC, 1952). Many examples of success were provided such as the successful extension of service to country areas, lectures to the public, provision of voluntary aids (ARC, 1946) and the organisation's comprehensive nutrition campaign (ARC, 1947).

The ARC advertised its steady progress in all areas including nutrition and First Aid education, and extension of TB sanatoriums and mental homes (ARC, 1946) with evidence of

the success provided long after WWII finished (ARC, 1981). The image of the ARC as a wartime body proved difficult to dispel though, and the organisation explained on occasions that it still struggled with public perception that it was a wartime organisation only, highlighting the need for the ARC in peacetime (ARC, 1964).

Structural and procedural legitimating techniques in the form of review and restructure provided substance to arguments presented using communication based legitimating techniques.

### **6.3.2 Role in Peacetime – Structural/Procedural Based Techniques**

The ARC identified the need to examine its goals, services and structure to demonstrate the ongoing need for the organisation in times of peace, assist the transition to a peacetime organisation, and ensure the organisation's long term survival. An example of this is the examination of the roles of the organisation's social service department. After WWII there was increased demand on this department by those who had suffered mental or physical impairment during the war (ARC, 1946), and the organisation identified the need for review of the services offered as the government extended assistance to ex-servicemen for non-war related disabilities (ARC, 1947).

The ARC studied its Social Welfare services and policies (ARC, 1947) and established a plan for coordinating its welfare policy with the relevant government departments (ARC, 1947). Evidence of success of this review was provided, including the results of the study showing that the ARC and the government departments were working in collaboration in a large proportion of cases, and that the government were turning to the ARC even where government departments were well established due to a shortage of social workers on staff (ARC, 1947). The discussions of the results of the review were stated in an assertive manner:

"These conclusions were very valuable in helping to define the scope of the Social Service Department, and they show that even though statutory services are being extended, a voluntary agency such as RC is needed to supplement them" (ARC, 1947)

To clarify the organisation's role in peacetime the ARC undertook alteration to its rules to broaden the role of the organisation (ARC, 1946), and it was decided to reorder its committees and change the composition of the National Executive (ARC, 1947). The ARC created new structures, and set new strategies, policies and procedures to assist reinforce the viability and need for organisation. The ARC extended its welfare department to cover men



and women whose disabilities were not war related and thus not eligible for government funding (ARC, 1946). The organisation also undertook a re-structure and reduction of its publicity department, acknowledging that this would place a greater load on remaining staff with peacetime production and editorial work, but asserting it was considered necessary for survival (ARC, 1947). The ARC defined its peacetime policy, which was advertised by its National Publicity Department (ARC, 1947) and it was argued that publicity would be essential to the ongoing survival of the organisation.

The organisation highlighted cooperation with outside parties, in particular those with existing legitimacy such as the visit and support of Lord and Lady Louis Mountbatten (ARC, 1946). Examples of external cooperation after WWI were outlined, which largely involved working with the Repatriation commission, and other parties such as the Commonwealth Employment service, Ministry of Post War Construction, National Advisory Welfare Committee, and the Council of Social Agencies, American Red Cross (ARC, 1948). The organisation explained its cooperation with the Education Department and the Repatriation commission, and other bodies such as Canteens Trust Fund (ARC, 1949). The organisation also provided examples of cooperation with organisations such as St John Ambulance Association, Girl Guides, Mothercraft Nurses, Domestic Science students, and government departments such as the Health Department (ARC, 1946).

### **6.3.3 Role in Peacetime – Discussion**

Ensuring alignment of the organisation's values with societal expectations and values following the end of WWII was challenging for the ARC, and the issue of establishing a role in peacetime proved a significant legitimacy concern for the organisation. The ARC responded to this legitimacy challenge by working to maintain its legitimacy in this new social setting, and gain legitimacy in new areas. This legitimacy challenge was mainly driven by social and economic factors. Social factors involved maintaining the dedication and interest of society in changing times when the organisation's perceived role in society was one of being a provider of services in wartime. Economic factors involved the threat of insufficient financial support to continue the organisation.

The ARC adopted an array of communication based and strategic and procedural legitimating techniques to ensure the organisation's role in peacetime was clearly defined and articulated. Examples of communication based techniques observed relating to this sub-theme are educating, the use of emotive and assertive statements, explanations, acknowledgments and

many examples of success of the organisations services and programs. The predominate tone of the narratives observed were assertive and/or emotive in nature.

Structural and procedural legitimating change was considered critical to management of this challenge, and legitimating techniques used included review of services, restructure, policy and procedural review, update of Rules of the Society, and extension of external cooperation and endorsement. Major structural and procedural review and change was undertaken to ensure the organisation remained relevant and portrayed an image of essential and necessary to the public upon which it relied for resources. Substantive action was considered very important to survival by the ARC and real change was noted after WWII with emphasis of review and restructure of services immediately following the war and over time.

#### **6.4. Role of the ARC: Ensuring Role in Society – Future of the ARC**

Despite the successful transition from a war based society to a peacetime organisation, ensuring the organisation's role in society remained a significant and ongoing concern for the ARC. Frequent discussion was observed in the media articles and annual reports of the importance of ensuring the role of the Society, and the future of the ARC. The role of ARC into the future was linked to management of the organisation's image, ensuring the role of youth, maintaining support, ensuring alignment of fundamental principles and effective IHL management. Legitimizing techniques for each sub-theme are discussed next.

##### **6.4.1 Ongoing role – Image**

The ARC highlighted the importance of paying constant attention to image, and ensuring the organisation kept up with changing community needs and expectations through ongoing image review and response. Legitimizing techniques linked to ongoing image management are discussed next. Specific legitimacy concerns observed in the analysis relating to repairing legitimacy following significant threats to the organisation's legitimacy are discussed in subsequent chapters in detail.

##### **6.4.1.1 Ongoing role – Image - Communication Based Techniques**

The ARC educated the reader on the ongoing struggle to maintain an image of relevance, and the need to maintain a broader image of the organisation in times of uncertain future to maintain support for the organisation's work (ARC, 1964). It was noted that each year brought with it increasing demands on charitable and community organisations, and increased calls for public support (ARC, 1968). In times of increasing competition, image management was identified as being crucial to the organisation's survival (ARC, 1968). The ARC argued

that the level of involvement in various aspects of the Welfare Services community was not always appreciated (ARC, 1976), highlighting the need to manage the organisation's image and inform the public of the need for the ARC.

The annual reports in particular were used to educate the reader on the issues of image and the organisations future role, and the need to review its image and make the organisation better known to the public. A range of communication techniques were observed in relation image management. The ARC used assertive statements in highlighting how the organisation was working hard to maintain its good image (ARC, 1998), and reinforcing the importance of having good public relations and a good image:

"....one cannot overlook a vital factor in any successful Fund Raising programme - good Public Relations. The success of the work done is closely linked with the comprehension on the part of those whose support is solicited if public doesn't not have that comprehension no amount of work can make up for this fundamental lack" (ARC, 1969)

Image management was linked to the importance of keeping up with the changing needs of society in order to remain relevant (ARC, 1976). Changes occurring in society were highlighted as requiring change and modification in the organisation's activities (ARC, 1979) and services, with trends towards decentralisation (ARC, 1980). Society changed rapidly over time, particularly as it headed into the 21st Century, with an ever widening of the humanitarian gap noted (ARC, 1996; 1997). The ARC used assertive language to highlight the importance of its mission and objectives in the 21st century (ARC, 1998). The ARC highlighted the need to keep up with change, and frequently used assertive statements to describe how it kept up with changes in society (ARC, 2002). Assertive statements were also used to demonstrate how the organisation kept up with technical challenges, and describe its delivery of quality services in an efficient and effective way to maintain its image:

"Recognising that the success of the Australian Red Cross mission lies in the delivery of quality services, a sharper identity in the community, and effective advocacy for its humanitarian principles in 2002 Australian Red cross adopted its first national Strategic Plan: Strategy 2005" (ARC, 2003)

The organisation identified that one of its major challenges was to make the community perceive a more complex view of the ARC than simply those well recognised areas of involvement, noting that although it offered nearly 70 services nationwide, this was not

widely known in the community, not even among its donors (ARC, 2001). Assertive language was used to describe the change in focus to meeting the needs of all Australians including indigenous communities was addressed (ARC, 2007) to ensure the organisation maintained an image of a necessary and useful member of society.

Assertive statements highlighted the importance of accountability (ARC, 2004), and were used to describe projects undertaken to advance the organisation and ensure it kept up with changing society needs such as its Visioning Project (ARC, 2004). Assertive statements were also observed frequently in relation to the organisation's operating environment, noting that the ARC operated in a challenging world and the organisation would need to ensure it remained relevant and efficient (ARC, 2004).

Many explanations of the importance of image management were observed. The ARC explained the challenges faced by the organisation, and how it was looking ahead and moving forward in times of change:

"Red Cross services will continue to respond to the changing needs of the Australian people. As the world's population is torn apart by conflicts and as millions flee such unrelenting elements as....." (ARC, 1992)

Explanations on the need for change continued, including the need to keep up to date with ever changing computer technology, and a more questioning approach to all aspects of life (ARC, 1997). The organisation explained the importance of facing changes in society in the new modern world and the keeping up with increased requirements for accountability. The organisation used the annual reports to demonstrate its successful response to the need for change, providing many comments with examples on the topic, and an increasing amount of accounting evidence and statistics.

The organisation provided information on programs and the changes in programs, with explanation on why changes were necessary. It also highlighted when targets were met or exceeded (ARC, 1969) and when programs were expanding (ARC, 2005). The organisation provided evidence of success of changing resources such as the utilisation of television; radio, newspapers and magazines to raise awareness of ongoing need (ARC, 2005). In later years it frequently highlighted the success of its publicity department and its successful utilisation of changing public media forums (ARC, 2005).

The ARC increasingly provided evidence of a commitment to genuine transparency and accountability (ARC, 2005). The organisation highlighted its success with statistics (ARC, 2005) with the addition of photographs and graphs, and tables of statistics increasingly used in the later years to highlight the success of the organisation in providing services in times of change (ARC, 2004). The ARC produced frequent narratives in relation to image management and the substantive change that was undertaken to ensure the organisation's role in society in the future. These structural and procedural based legitimating techniques are discussed next.

#### *6.4.1.2 Ongoing Role -Image - Structural and Procedural Based Legitimizing Techniques*

The ARC frequently emphasised the importance of regular review and restructure in image management, which was linked to the notion of staying relevant and keeping up with changing community needs and expectations. Strategic and procedural legitimating techniques observed include internal review and subsequent restructure, which were identified as crucial to maintaining an image as a necessary part of modern society:

"Accordingly, we have initiated an internal review, aiming to convey a nationally consistent image and more successfully marked our services to existing and potential supporters, be they volunteers or donors." (ARC, 2001)

The ARC undertook subsequent review and changes in policy, procedures and structures including updates to its constitution to ensure it remained a necessary part of the community as needs evolved over time. A review of activities and expenditure was undertaken in 1952 (ARC, 1954), and a new structure was implemented with a new committee created to aid the organisation move forward in its role as a voluntary organisation (ARC, 1963).

The organisation underwent various further changes over time initiating significant changes in structure when the Council adopted a new set of rules in 1968, which aimed to streamline the policy making processes and updating the whole organisation of the Society. It was asserted that these changes would result in an increased awareness of the needs of the Australian community which Red Cross could fill, and increased efficiency throughout the organisation (ARC, 1968). The proposed changes in structure were implemented with the introduction of a smaller council more representative of the working membership of the society with new responsibilities (ARC, 1969).

The role of review in moving forward continued to be highlighted as being crucial to keeping up with changing society needs and ensuring the organisation's legitimate place in society. The Tansey Report (1975) was undertaken to survey volunteers and staff at national and state levels, and it focused on identifying the role of the organisation and demonstrating the ongoing need for the ARC in times of war and peace. The report identified the priority of the organisation as being the provision of emergency help, and community services of health and welfare. The Tansey Report made recommendations regarding the structural and procedural needs of the organisation, outlining procedural requirements necessary to ensure the organisation was efficient, accountable and transparent.

Ensuring ongoing survival (ARC, 1991) in changing and testing times resulted in continued need to review the organisations aims and services (ARC, 1994). The ARC underwent further financial and organisational review and changes in structure (ARC, 2004; ARC, 2005). The organisation discussed its own internal review in the context of ensuring its image and the need for finding their place in a modern complex world:

"How do we at Australian Red Cross go about finding our place, our role, in a modern and increasingly complex humanitarian world? (ARC, 2004)"

To identify the need in the community the organisation undertook a visioning process which included extensive research and consultation and much discussion with staff our members, volunteers and community partners (ARC, 2004). The ARC introduced regular Strategy documents with the creation of Strategy 2005 and Strategy 2010. The consultative process also helped the ARC develop Strategy 2010 and identify its strategic directions for the following 15 years (ARC, 2005).

The reviews resulted in the development of a governance policy, along with many structural changes, including a change in the role of council and board to move its meeting to be more like meeting of shareholders along with changes to the boards structure (ARC, 2005). New policies on budgets and strategic plans were introduced on a national basis with the introduction of national level budgeting.

A new audit and risk management committee was created and internal audit introduced to report to new Audit and Risk Management Committee (ARC, 2005). Internal audit was a focus with develop of an internal Audit Charter to include the standards, relationship and other internal audit arrangement application to the Australian Red Cross environment. Audit

& Risk Management Committee was charged with the job of developing the internal Audit Charter of standards, and ensuring the organisation met international and industry obligations (ARC, 2005). Management structure also underwent changes and committees were established to help incorporate the governance changes including a National Asset Strategy Committee, Audit and Risk management Committee, Governance Implementation Committee, and Divisional Model Rules Working Group (ARC, 2005).

In addition to the real changes made to ensure the ARC kept up with an ever changing society, the organisation managed its legitimate image by obtaining external cooperation endorsement whenever possible. The organisation established an extensive network of friendly constituents, utilising surveys and marketing research to identify and recruited friendly co-optees, partners and volunteers where necessary, and the organisation also consulted professionals for opinions. The ARC demonstrated when it conformed to acceptable legitimate models to maintain the organisations image, adopting standards and formalising its operations-policies, and seeking certification in the way of professional membership and qualifications such as meeting Aus AID and ACFID standards and membership requirements.

The organisation also worked with a variety of cooperatives to remain relevant. It held discussions with State and Territory's emergency services to plan the way forward for emergency services (ARC, 2004). For example the organisation worked with and received funding from AusAID, and frequently provided details of the various overseas programs it ran and changes to these programs supported with photographs and statistics (ARC, 2005).

As community demands on charitable organisations to be transparent and accountable increased, the ARC demonstrated it was a worthy recipient of funding from both the government and the public by becoming a member of the newly formed Australian Council for International Development (ACFID) (ARC, 2004) The organisation sought opinions and partnerships with the public through the development of committees involving members and volunteers (ARC, 2004). The ARC underwent accreditation of its training programs using the Australian Quality Training Framework to undertake a FHS course review (ARC, 2005). The organisation used strategic and procedural based legitimating techniques to ensure it could maintain its image of being useful and relevant into the future.

#### ***6.4.1.3 Ongoing Role and Image - Discussion***

Both communication based and structural and procedural based legitimating techniques were observed in relation to managing the ongoing role of the society in peacetime and into the

future. Communication based techniques include use of narrative statements such as assertive statements, explanation, evidence of success, acknowledgments, and visual disclosures. The most prominent communication based techniques were the use of assertive and emotive statements.

Adapting to change through the process of review and restructure to ensure the organisations remained relevant in society, was identified as a significant element of management of image. Major structural and procedural review and change was undertaken to ensure the organisation remained relevant and portrayed an image of essential and necessary to the public upon which it relied for resources. The organisation undertook a review of its image, structure, policies and procedures, and updated its policies and procedures to ensure they were consistent with the organisation's mission and image. External cooperation and endorsement was also considered important in maintaining the image of the organisation as necessary and legitimate member of society.

The organisation also argued that ensuring relevance and maintaining image, would require incorporating youth and ensuring they had a place in every aspect of the organisation moving forward.

#### **6.4.2 Ongoing role – The Role of Youth**

The ARC identified that youth involvement would be essential to ensuring continuation of the Red Cross (ARC, 1957). The gap between Junior Red Cross and adult units became an increasing concern (ARC, 1963), and engaging 15 to 25 year olds was highlighted as a concern for the organisation, with an imbalance between younger children involvement, and a lack of youth involvement (ARC, 1968). The organisation identified issues facing the Junior Red Cross over time, with a decline in youth membership (ARC, 1969). Concern for decreasing youth involvement continued (ARC, 1971), and the organisation became increasingly concerned with having an outdated image as the problem of keeping youth involved persisted (ARC, 1972).

##### **6.4.2.1 Ongoing role – Youth - Communication Based Techniques**

The ARC provided information to educate constituents on the need to integrate younger members into the fabric of the organisation, and provide opportunities for youth to become an integral part of organisation (ARC, 1975). The ARC highlighted a need to expand youth programs to ensure its future (ARC, 1985) and the need for increased involvement of youth



(ARC, 1987). The organisation emphasised the need to ensure the Red Cross responded to changing community situations requiring constant monitoring and the issue of youth needs.

The annual reports included information on Junior Red Cross (JRC) membership programs every year from 1961 onwards, and a focus on the need for increased involvement of youth continued (ARC, 1976; 1987; 1991; 1992). Youth engagement was frequently identified as a priority for the organisation (ARC, 1996) with the future of Australian Red Cross linked to youth and ongoing youth programs (ARC, 2004). Discussion of what the organisation was doing to encourage youth participation (ARC, 2005) continued with the need for youth involvement stated as being vital to survival (ARC, 2006), and a strong focus on youth news and comprehensive review of National Youth programs (ARC, 2006).

Assertive statements were used to communicate authoritatively the importance of youth to the survival of the organisation and highlight the value of JRC (ARC, 1949), and the need for youth involvement (ARC, 1955). Forward planning was under taken, and it was asserted that the organisations new five year plan for youth would invigorate the whole of the JRC throughout the world by development of common themes and strengthening the bonds of international friendship (ARC, 1965). The ARC encouraged and highlighted in an assertive manner the active role of youth in shaping the future of the movement (ARC, 1972). Many assertive statements outlined the need for youth involvement (ARC, 1981), highlighting its interest in youth and youth programs (ARC, 1984), and it was noted that young people play an important role in the organisation (ARC, 2002; ARC 2004) in an assertive manner.

"More than ever, the energy and passion that drives young people are vital ingredients for Australian Red Cross. With this in mind, the organisation determined that there must be more ways to involve youth." (ARC, 2006)

The ARC provided evidence of success of the JRC such as increases in JRC membership (ARC, 1963), successful youth programs (ARC, 1965; 1970) and increasing number of youth groups (ARC, 1967). Progress in addressing issues of engaging youth were highlighted (ARC, 1976), along with the contribution of youth (ARC, 1993), successful funding for youth and education services (ARC, 1999), programs such as the young volunteering exchange (ARC, 2001) and increasing levels of youth engagement and participation (ARC, 2004). Evidence of the successful endorsement of programs and a new policy on youth was provided:

"Another exciting outcome for youth participation has been Red Cross endorsement of Foundations for Engaging Young People' - policy on youth (ARC, 2006)

The organisation regularly acknowledged contributors to youth programs such as the Government's Department of Education, milk appeal donors, and student teachers (ARC, 1961). Structural and procedural based legitimating techniques were also observed in relation to the challenge of maintaining youth involvement.

#### ***6.4.2.2 Ongoing Role – Youth - Structural and Procedural Legitimizing Techniques***

The organisation underwent a process of review and policy restructure to increase the involvement of youth within the organisation. The ARC made recommendations for a universal set of regulations and adoption of a new JRC administration (ARC, 1960). The organisation undertook a study into the scope for youth involvement in the Red Cross after experiencing continued decreases in youth membership (ARC, 1975). To encourage youth involvement, a Youth Grants Panel was formed to assess applications from teams to learn about ethical grant-making processes, a program designed to work with other programs and enhance youth participation opportunities (ARC, 2004).

A comprehensive review of National Youth programs was undertaken to identify the most effective methods and structure to engage young people and a youth advisory committee was formed (ARC, 2006). The organisation also identified evidence of cooperation between the JRC and other parties such as departments of the Red Cross (ARC, 1960) and the Education Department (ARC, 1946).

#### ***6.4.2.3 Ongoing role – Youth - Discussion***

The ARC responded to the challenge of incorporating youth in the organisation in order to maintain its legitimacy in an ever changing setting with communication and structural/procedural based legitimating techniques. Communication based techniques include educating constituents on the need for youth involvement and the use of assertive statements, explanations, and provisions of evidence of success and acknowledgements. Many narratives were dedicated to the topic of youth and the annual reports increasingly dedicated a specific space to the discussion of the role of youth in the organisation. Interestingly little emotive language was observed in relation to youth, but the language was frequently assertive and positive with many examples of success.

Some structural and procedural review and change was undertaken to ensure the organisation remained relevant and incorporated youth to ensure the relevance and future of the organisation. The organisation undertook regular review of its youth policy and procedures, and restructured services as required. External cooperation and endorsement was highlighted in relation to youth also. This legitimacy challenge was mainly concerned with social and factors. Social factors involved maintaining the dedication and interest of youth in changing times. Youth management in time of increasing change was identified by the organisation as being crucial and the organisation was passionate about ensuring youth had a continued role in its activities.

#### **6.4.2 Maintaining Support**

A recurring topic observed in the media articles and annual reports was the need to maintain public support, with the organisation struggling at times to maintain sufficient support necessary to provide services. Appendix E provides examples of media articles on this topic. Maintaining support was linked to issues of keeping up with increasing demand whilst maintaining volunteer, staff, member and financial support.

The issue of increasing demand across services presented at both an international and national level. The ARC noted that these challenges needed to be met positively if the organisation was to remain a relevant and progressive organisation in years to come. The organisation faced the challenge following WWII of increased demand with Australia being a relatively young country with insufficient infrastructure to address all community needs. This was compounded with the challenge of meeting the needs of many returned soldiers suffering mental and physical impairment (ARC, 1946).

Maintaining volunteer and member support became increasingly difficult, and combined with decreasing numbers of well-trained staff to cause ongoing concerns for the organisation. The survival of the ARC relied heavily upon continued support from the community through its volunteers, and members in the early years, but as the organisation evolved it took on more paid staff creating a need to raise sufficient cash flows to cover these costs.

In addition to increasing demand and decreasing support of volunteers, the ARC experienced ongoing pressure on its finances and the need to maintain sufficient financial support to ensure its continued existence. The sources examined provided much discussion and advertisement of the need for funds and discussion of the role of the organisation, and the necessity to raise funds to maintain its ongoing role in society. Appendices N Table 3

provides information on surplus and deficit results for each financial year in the time period examined demonstrating the financial struggle felt by the organisation for most years for the first three decades following the end of WWII. Ongoing deficits challenged the organisation's ability to provide services and frequently threatened its long term survival.

#### *6.4.2.1 Maintaining Support - Communication Based Legitimizing Techniques*

The ARC utilised various communication based legitimating techniques in relation to the need to maintain ongoing support. The organisation educated the reader on the challenge of keeping up with continuously increasing demand. The ARC used explanations to inform readers of ways the organisation was meeting the needs of constituents, and keeping up with the ever increasing demand for services, to demonstrate how it was a reliable provider of services and a good citizen. The organisation often provided explanations of why demand was increasing, and how the need was addressed or if there was difficulty meeting demand.

The ARC explained how it wouldn't be possible to keep up with this demand with the current level of resources (ARC, 1951). Extra demand sometime resulted from government policy, for example, the ARC explained that demand was created by the government's active migration policy bringing many new families into the country (ARC, 1956). The ARC also explained that frequently demand came from many natural disasters and man-made conflict (ARC, 1985). Keeping up with specific local needs also provided challenges. It was explained the need for courses to meet local needs in remote areas in the Northern Territory, and in particular to meet the needs of the aboriginal community (ARC, 1990). The organisation explained that ongoing pressure was felt due to increases in costs consistent with increased demand on services and how changes in society such as aging population and a greater emphasis on staying at home, were adding to the pressure:

"...two key issues have emerged at opposite ends of the spectrum - the increasing isolation and loneliness of people living alone in their own homes, and the increase in the number of people caring for their own homes, and the increase in the number of people caring for their loved ones at home" (ARC, 2004).

The ARC used emotive statements to appeal to constituents, and persuade them on the role of the organisation despite difficulty keeping up with increasing demand. Frequently emotive personal stories were provided with supporting photographs to demonstrate the success of its services (ARC, 1971). Emotive statements were used to describe the increasing demand for services due to increasing conflicts and natural disasters:

"...Sadly, this increase is a direct reflection of the escalating numbers of conflicts and disasters." (ARC, 1992).

Assertive statements relating to keeping up with demand were used to communicate authoritatively and convince the reader that the ARC was working hard to keep up to the needs of society (ARC, 1952). The ARC assertively stated its dedication to meeting the needs of war veterans despite increasing needs across different areas. With changes in society requiring new services, assertive statements were used to demonstrate how the organisation was meeting these needs whilst still meeting the needs of returned soldiers (ARC, 1956). Assertive statements on the need to be responsive to increased community needs continued (ARC, 1990), and were used to explain how the organisation kept up demand, describing how it mobilised its resources to bring help and relieve suffering of those in need (ARC, 2000).

The ARC demonstrated its success in meeting increasing demand with examples, providing increasing quantities of accounting evidence and statistics. The organisation highlighted the increasing number of people with varying needs including those with geriatric problems needing full time care and the number of cases handled (ARC, 1966) resulting from an aging population. Evidence of successful programs was provided such as First aid training, OH&S (ARC, 1977), overseas assistance (ARC, 1978), and growth in services such as the beauty therapy services (ARC, 1978)

"Due to the increased recognition and values for rehabilitation and patient moral, beauty care therapy continues to grow throughout the states and as a result..." (ARC, 1979)

Visual disclosures such as photos, graphs and tables of statistics were increasingly used to demonstrate the success of programs and how the organisation kept up with increasing demand (ARC, 1988; 1993; 2003; 2005). The use of such techniques continued, and further visual tools such as pie charts were introduced (ARC, 2006; ARC, 2007). These visual disclosures were increasingly accompanied by positive assertive statements providing evidence of success (ARC, 1952; ARC, 2007).

The ARC regularly acknowledged a range of people for assistance meeting increasing demand. Appreciation was expressed for the cooperation of company's contributions and volunteers (ARC, 1963), awards and visitors (ARC, 1963), sponsors (ARC, 1977), government and donors (ARC, 1977). Support from outside entities such as RSL (ARC,

1978), the Government (ARC, 1987), Channel 7 Network (ARC, 1994), public donations (ARC, 2000), and the First National Foundation (ARC, 2007) were acknowledged.

Similar legitimating techniques were utilised in relation to concerns over maintaining volunteers, and member and staff numbers including assertive statement, explanations, and emotive statements, evidence of success, acknowledgements, and visual disclosures. Maintaining volunteer support became a concern after the end of WWII with the organisation facing reduced number of volunteers (ARC, 1948) and ongoing issues securing volunteers (ARC, 1955). On occasion services were trimmed or reorganised due to an increasing decline in the number of volunteers as society changed and more families focused on employment. For example the ARC decided to discontinue its Health in the Home course due to lack of volunteers (ARC, 1971).

The challenge of matching volunteer's skills to community needs arose from the changing demography, and changing community needs and standards (ARC, 1984). In addition, a shortage of trained staff in hospitals, and a shortage of social workers also became of increasing concern (ARC, 1948; 1951). Shortages of skilled staff became of increasing concern with government requests for increased number of personnel First Aid training course, and the organisation experienced a lack of trained instructors slowing down programmes (ARC, 1966).

The importance of maintaining volunteers was highlighted frequently, and the ARC provided many explanations of the need for continued support from volunteers and the problems this issue posed for the organisation:

"....following the resumption of adjustment by the people following the war, have presented many problems in securing enough volunteers who were prepared to give some of their time to the development of RC." (ARC, 1955)

The ARC provided evidence of the successful management of the volunteers, members and staff and provision of support and services to ensure the continuation of the organisation. Evidence was also provided of improvements in the organisation's effort to recruit and train more volunteers to assist with routine services and concentrate on improvements in the organisation (ARC, 1973). External evidence of success included a quote from State Emergency Services on the value of the Red Cross during an emergency:

"Red Cross is the glue that is keeping the whole thing together" (ARC, 2007)

Assertive statements were frequently used to persuade and convert constituents on the need for continued support (ARC, 1948) and the importance of members (ARC, 1949). The effects of shortages of qualified workers were discussed in an assertive manner (ARC, 1951). The value of the service of volunteers and workers was stated assertively:

"The year just past has shown that the Society is able and willing to assist those in need in many ways often new ways. But it can only continue to do this with the willing assistance of countless volunteers..... (ARC, 1985)

The organisation frequently acknowledged its volunteers, delegates and members:

"....appreciation and gratitude to the numerous though diminishing number of people, especially women, who continue to work for the objects of the Society" (ARC, 1948)

Emotive statements were used to appeal to constituents, convincing them of the need for continued support of the public to ensure the future of organisation.

"I appeal to the voluntary helpers whose outstanding service in the past has been such a source of strength to RC, to continue their allegiance to the Society".(ARC, 1948)

The annual reports contained increasing numbers of emotive personal stories of successful provisions of services (ARC, 1959), such as a story of a teacher (ARC, 1972), story of personnel and volunteers (ARC, 1973) and volunteers and employees on international assignments (ARC, 1985), and stories of participation (ARC, 1995). Emotive statements often supported these stories (ARC, 1979). Photographs and tables of statistics and discussion points with statistics were increasingly used to demonstrate the contributions of volunteers, members and staff (ARC, 2003; 2004). Emotive stories, photographs and quotes of the core principles were increasingly used. For example a full page photo of a delegate with the word Universality and the following quote:

"ARC delegates often working areas of crisis, conflict and disaster. Sometimes exposed to physical danger and extreme stress in many of the world's most troubled regions, and with little more than the RC emblem for protection, these remarkable women and men work tirelessly to relieve suffering and enhance human dignity" (ARC, 2004).

Maintaining financial support in increasingly competitive times was an ever present issue. The ARC dedicated much effort to educating constituents on the need for continued financial support. Appendices N Table 2 provides examples of communication based techniques used in relation to ensuring continued financial support. The ARC provided many explanations describing the financial pressure the organisation was under demonstrating how it was addressing constituents in the difficult climate and remaining a reliable and good citizen.

Diminishing resources affected the organisation's ability to continue overseas assistance, and the ARC experienced deficits raising the possibility of reducing services (ARC, 1948). After WWII increasing costs diminished reserves (ARC, 1949) and difficulty raising finance for overseas assistance programs continued, and the organisation experienced continuing deficits (ARC, 1951). The need for financial stringency was highlighted in the annual reports, with the increased possibility of reduction of services discussed frequently and the ARC searched for ways to maintain its work with less (ARC, 1952).

The language around the financial needs of the organisation was frequently assertive. Assertive statements were used to state the need for continued support from the public and manage its funds. The desperate need to move from a situation of deficit without cutting services was stated assertively:

"It is obvious that the society cannot continue to have deficits of the volume shown this year without impairing its ability to maintain its service to those members of the fighting forces who suffer in body or mind as the result of war service". (ARC, 1948)

Few emotive statements were observed in relation to finance issues. The ARC used emotive language to appeal to constituents the need for the Red Cross and ongoing financial support. Emotive stories of support provided of assistance given across various programs and the value of the organisation and its commitment to the people:

"...individuals brought together under the unique humanitarian emblem and committed to caring for others" (ARC, 1983)

Acknowledgments regularly occur in the annual reports in a variety of forms but many acknowledgements were included of financial supporters in particular. The organisation regularly thanked a range of people including contributors (ARC, 1948), the businesses and press (ARC, 1950), government funding (ARC, 1950), public donations (ARC, 1950; 1963; 1964, 1968; 1969; 1971). Annual reports contained the corporate logo of contributors at the



end of the annual reports and information on their contributions within the report. The ARC acknowledgement of funding by AusAID ( ARC, 1997;1999), sponsors such as NAB (ARC, 1997; 1999), and legacy income, donors (ARC, 1997; 2003) and collectors (ARC, 2003).

#### ***6.4.2.2 Maintaining Support - Structural and Procedural Techniques***

Review and restructure was not directly linked to keeping up with increasing demand however it is considered the adjustments undertaken in relation to establishing the organisation's peacetime role worked to ensure the ongoing success of the organisation in keeping up with increasing demand in times of reducing volunteers and memberships. The organisation did utilise many cooperative arrangements and endorsements in order to meet increasing demand though. Evidence was provided of these relationships:

"The society co-operates closely with governments and semi-government structures" (ARC, 1980)

Many structural and procedural techniques were adopted to manage the ongoing problem of maintaining financial support. The organisation consolidated and modified structure in order to reduce costs and create efficiencies. Various efforts to reduce costs were made following the end of the Second World War in particular such as reducing the staff in its National Publicity Department (ARC, 1946). A review of the cost of services was undertaken to make reductions (ARC, 1948). In the 2000s strategy and corporate governance became a focus and Strategy 2005 and Strategy 2010 were introduced.

To assist with finances a focus was introduced on better management, modernising organisational structure, and implementing strategic changes (ARC, 2000). To ensure the ARC could maintain support from the community and thus financial viability and continuation of services, the organisation identified that it would need to meet world best standards (ARC, 2000). As financial pressure continued to confront the ARC over time it was also challenged by the need to maintain ongoing support from volunteers and members and maintain efficient and effective staff in changing times.

For financial reasons it became increasing important for the organisation to build co-operative relationships and seek endorsements and support from all sectors of the community. Examples of cooperation with outside bodies were provided such as the Department of Defence, VIC Society for Crippled Children, and many other government departments (ARC, 1957). Corporate supported from various organisations such as Woolworths, Safeway and

Goodman Fielder were highlighted (ARC, 2003). The organisation developed and maintained national partnerships with the corporate sector that provided services such as dissemination of information and partnerships with law firm Mailesons Stephen Jaques (ARC, 2003). Assertive comments were used on the strategic changes made to ensure financial survival such as the introduction of a comprehensive budget and strategic planning system across all divisions of ARC (ARC, 2005).

#### ***6.4.2.3 Ongoing role and Maintaining Support - Discussion***

Both communication based and structural and procedural based legitimating techniques were used to manage the legitimacy challenge of maintaining support in times of increasing demand, with decreasing volunteer and member numbers, and decreasing financial support. Many narratives were dedicated to educating the public of the pressure on the society from increasing demand, explaining the reasons for the demand. Some emotive language was used but the language was frequently assertive. Evidence of success and acknowledgments were provided with increasing use of visual disclosures such as graphs, table and photographs.

More emotive statements were used in relation to managing volunteer support, with continuing calls for support from volunteers and support of members and description of the value of good staff presented in an emotive manner. Evidence of success and acknowledgements became increasingly important with acknowledgements of members and corporate supporters becoming increasingly a highlight of the annual reports. Acknowledgements were abundant in particular in relation to maintaining volunteers support.

Ensuring financial support was largely addressed using assertive statements. Explanations, along with evidence of successful fundraising, management of funds, and evidence of success in maintaining services despite financial constraints were observed. An increasing number of acknowledgments and visual disclosures such as tables and graphs were noted, with narrative and visual acknowledgement of the increasing number of corporate supporters.

All topics relating to maintaining support were covered in quite an assertive manner, but narratives on finances contained many explanations and assertive statements. Narratives on volunteers, members and staff were more emotive in nature over all. All areas of discussion contained examples of success with increasing use of visual evidence and acknowledgments.

Structural and procedural based legitimating techniques used in relation to maintaining support included review of services, policies and procedures, and increased external

cooperation and endorsement, particularly from corporate bodies. Review and change was not frequently linked to increasing demand and decreasing volunteer and member support numbers directly, but discussion of review and restructure was highlighted in relation to finances.

#### **6.4.3 Fundamental Principles**

The fundamental principles (objectives) of the ARC were identified as being integral to the purpose of the organisation. To ensure support the ARC needed to make sure that its principles always fitted within society's view of what is acceptable, and that its actions were consistent with its principles. Ensuring the organisations actions were consistent with its principles became a legitimacy maintenance issue for the ARC.

A history of the ARC's beginnings was obtained from review of literature available at the organisation's archives. The ARC's history provided insight into the origins and purpose and importance of its principles. The ARC stemmed from the International Red Cross which was conceived from writings by Henry Dunant. Henry was a Swiss banker who on June 27, 1859 travelled to consult with Napoleon (Stubbings, 1992). He came across the aftermath of a battle on the plains of Lombardy which destroyed the Italian town of Solferino (Stubbings, 1992).

Henry Dunant was reportedly devastated by the carnage and lack of attention paid to the wounded from both sides of the battle. At a neighbouring township Castiglione, Henry organised villagers to assist the wounded, paying for supplies out of his own money (Stubbings, 1992). After three days of struggling to provide for the wounded Dunant left Castiglione to see Napoleon III requesting he release all medical men who had been taken prisoner so they could assist treat the wounded. Napoleon consented (Stubbings, 1992).

The ARC acknowledged its beginnings in its annual reports:

"It all started in 1959. Our founder, Swiss businessman Henry Dunant, witnessed the heart-wrenching aftermath of a horrific military battle. He saw the dying, strewn among the dead, with no one to aid them" (ARC, 2004; p47)

The sources studied, frequently focused on the principles of the ARC and the annual reports in particular were used regularly to restate the principles and educate the reader on their importance to the organisation. The principles guide the primary objects and purpose of the organisation. When the ARC began as an unincorporated branch of the British Red Cross Society in 1914 its primary objects were identified, these are listed in Appendix O.

#### ***6.4.3.1 Importance of Fundamental Principles***

The principles of the ARC were regularly stated in the annual reports. The ARC made educated the reader on the need to instil Red Cross principles throughout its activities (ARC, 1946). The organisation asserted the need to ensure it acted within the scope of its principles and to ensure its image is not affected by its actions or association in a negative way, thus managing its legitimate image:

".... the Red Cross must act, and be seen to act, at all times in accordance with its Fundamental Principles. These principles could be compromised if the Society is seen to be linked with institutions or organisations which are not bound by the same principles" (ARC, 1986)

The ARC identified that its principles could not be sacrificed or compromised for the sake of efficiency and effectiveness, and that the organisation must never lose sight of its purpose:

"In ARC we are working hard to ensure that we live up to our fine external image and the high respect in which we are held by the public. The most important thing to keep in sight, however, is that efficiency and effectiveness are not achieved at the expense of compassion and humanity or with any compromise of our fundamental principles" (ARC, 1998)

To ensure the organisations principles align with society's priorities the ARC used review and survey. A significant review and refocus was undertaken by the International Federation of Red Cross and Red Crescent Societies with preparation of Strategy 2005 and Strategy 2010. These documents were used by the ARC to guide its own principles and purpose. The ARC identified 11 objectives to achieve the mission of organisation under the first of which is the 'Promotion of fundamental principles and humanitarian values' (ARC, 2002).

The organisation increasingly noted the principles in its annual reports often with half or full pages dedicated to highlighting words such as vision, mission, fundamental principles, humanity, impartiality, neutrality, independence, voluntary service, unity, universality ( ARC, 2006,2007, 2008). The ARC provided information on its goals in modern times in the context of the underlying fundamental principles (ARC, 2006).

#### ***6.4.3.2 Fundamental Principles - Communication Based Legitimizing Techniques***

The ARC stated assertively the importance of the principles to the organisation and frequently highlights the need for continual re-examination of the organisation's principles in an assertive and emotive manner:

"This process of re-examination and re-assessment must be a continuing one, both within our own Society and in the RC world at large, if RC is to remain the vehicle through which the community expresses its concern and offers tangible help to people who are suffering, either at home or abroad" (ARC, 1971)

The Principles changed slightly over time, in 1980 they were summarised as: "Humanity, Impartiality, Neutrality, and Universality" (ARC, 1980). A common thread throughout has been the notion of humanity:

"The most fundamental and guiding principle on which the RC action is based is Humanity" (ARC, 1983)

The value of the organisation became increasingly reflected through emotive presentations of its principles such as Unity, which was presented with a quote and full-page photo:

"Unity is cooperation, fellowship and understanding. At Red Cross it is people with a like-minded interest in humanity, helping people with one accord" (ARC, 2004)

The importance of the organisation following its principals was explained:

"Necessary changes will continue to occur if the following conditions are met, objective analysis, adequate consultation, well presented argument, a spirit of cooperation and adherence to the Fundamental Principles of the Red Cross and Crescent movement (ARC, 1998)

The challenge of ensuring the organisation's long term success and existence was explained in an assertive manner in the ARC's Strategy 2005 as being reliant on the organisation's underlying humanitarian principles (ARC, 2002). Evidence success of protecting the society's image and ensuring alignment with its principles was provided:

"I am pleased to report however that this danger was averted, and it should be a matter of pride to members.....that their delegation played a very active role in preserving the traditional and vital principles of the RC movement" (ARC, 1978)

The ARC highlighted its work toward the goals that bring together its activities with the fundamental principles (ARC, 2006). The organisations increased its number of visual enhancements in relation to principles using full page photos with a principle in bold letters across the page and a quote describing the principle. For example in the 2004 annual report

the word 'Humanity' with an emotive photo and the quote by Nathan Rabe the Manager of International Operations:

***Figure 6.1 Example of Promotion of Fundamental Principles***

## Humanity

“The true power of this most potent of principles lies in its ability to remind me, constantly, of our common humanity. And, as a consequence, to make me struggle still harder to preserve that basic dignity that is the very essence of being human—wherever, whenever, however it is threatened” (ARC, 2004).

Increasingly emotive full page photos were introduced in later annual reports with one word and a quote per page on core principles such as Neutrality:

"Because it is recognised as neutral, Red Cross can get access where other organisations might be denied...." (ARC, 2004)

The ARC explained how it worked toward three goals that bring together local activity with Fundamental Principles with the narratives and photographs (ARC, 2006). For example the organisation introduced its current goals in a visual manner with goal 1 quote repeated full page photo (ARC, 2006).

#### ***6.4.3.3 Fundamental Principles - Structural and Procedural Based Legitimizing Techniques***

The organisation discussed some structural changes in relation to its principals, identifying the need to update and improve its processes and move forward with stating its mission and objectives in the 21st Century stated to ensure its survival undertaking a strategic workshop to pose questions about the Red Cross' mission and objectives in the 21st century, determining that without fundamental change, the Society would be vulnerable entering the next century (ARC, 1998).

The ARC spoke assertively of the need to ensure it had proper policies and procedures and strategy in place that was aligned with its principles:

"The Australian Red Cross promotes ethical, responsible and principled behaviour and is reviewing a Code of conduct for members, staff and for members of the Australian Red Cross Board and a statement of the ethical standards expected of its people" (ARC, 2005)

The ARC discussed its first of two major strategies put in place being Strategy 2005, identifying that it aimed to deliver services of the highest possible quality, to forge a still sharper identity within the Australian community, and promote the organisation's humanitarian principles (ARC, 2002; 2004). The organisation highlighted the importance of audit and the role of governance and independence in assuring the ARC's principles and standards were consistent with good corporate governance practices (ARC, 2006). In keeping up with increasing focus on improving the life of indigenous Australians, in February 2007 the ARC adopted new principles for working with Aboriginal and Torres Strait Islanders (ARC, 2007).

#### **6.4.3.4 Fundamental Principles - Discussion**

The organisation used communication based techniques to highlight the importance of the principles to the ARC, adopting assertive statements, explanations, and emotive language, and providing evidence of success, acknowledgements and visual disclosures. The narrative techniques observed in relation to the principles of the organisation were largely assertive and emotive. Visual legitimating techniques were increasingly used by the organisation. Structural and procedural based techniques relating to principles were the review and update of principles and subsequent review of services.

The legitimacy event of ensuring that the organisation acts with its fundamental principles, and that its principles are aligned with society's priorities, relates to social factors. Fundamental principles are the key principles with which the ARC bases all of its activities. Social factors affecting this concept relate to the possibility that if the organisation acted outside its principals it would result in a gap between the societies expectations of the organisation and its legitimacy setting causing a legitimacy gap. Alternatively, if the organisation's principles were not consistent with social views then the organisation would lose support.

The underlying notion of the ARC's fundamental principles of humanity is intrinsically linked to the concept of International Humanitarian Law (IHL) which is discussed next.

#### **6.4.4 IHL**

IHL is an integral concept to the core beliefs and function of the ARC of the protection of human rights during war and other time of suffering. In 1863 the foundation of the International Committee of the Red Cross was formed and in 1864 representatives from 16 countries attended the first Red Cross conference where 13 countries signed the first Geneva Convention set out to capture this principle. By 1866 twenty governments had ratified the Convention (Stubbings, 1992). By 1906 The Convention was enlarged and application more clearly defined and in 1907 it was extended to naval warfare and specific direction included for the treatment of prisoners of war, military internees and wounded soldiers in neutral countries (Stubbings, 1992).

The Geneva conventions and additional protocols form the core of international humanitarian law (IHL) which regulates the actions of parties during times of war, and provides basic rights to humans affected by war. The Red Cross symbol represents a symbol of protection



during armed conflict and the organisation maintained a strong interest in IHL and additional protocols. The ARC highlighted the importance of IHL to the organisation:

"At our Movement's heart lies International Humanitarian Law (IHL) - the law of war. IHL which strives to preserve humanity during times of conflict is the basis of the Movement's existence" (ARC, 2004; p47)

#### ***6.4.4.1 IHL - Communication Based Legitimizing Techniques***

The ARC increasingly discussed IHL in its annual reports, informing the reader of the need for public education on the topic (ARC, 1974 through to 2014). Information on IHL continued to be provided in the organisation's annual report (ARC, 1984) and the role of IHL in peace (ARC, 1985). Three recurring concerns for the ARC were observed in relation to IHL being the dissemination of IHL materials and knowledge, involvement in ensuring IHL keeps pace and is effective against bad behaviour during times of war, and ensuring ratification of additional protocols to the Geneva Conventions as they are asserted. The power of the symbol of the Red Cross was asserted:

"Did you know that the instantly recognisable Red Cross on a white background is one of the world's most powerful symbols, meaning don't shoot in 350 languages? (ARC, 2006)

The ARC frequently discussed the importance of dissemination of IHL and the role of the organisation in this. The ARC highlighted successful dissemination of IHL information (ARC, 1982; 1983) and problems with IHL dissemination such as the shortage in resource material on IHL (ARC, 1988). Issues with disseminating and promotion of IHL were discussed (ARC, 1989) along with need to create awareness of IHL (ARC, 1990) and the challenges of educating on IHL (ARC, 1991; 1992). Information was provided on diplomatic conferences on IHL (ARC, 1977) and dissemination programs (ARC, 1977) along with achievements in IHL (ARC, 1983).

The organisation highlighted an increasing need for the ARC to be involved in IHL awareness (ARC, 1993), and dissemination (ARC, 1995) as IHL promotion continued to provide challenges for the organisation (ARC, 1995). The ARC continued to focus on the need for dissemination of IHL information and educating on IHL (ARC, 2002). The organisation continually argued for the need to increase awareness of IHL (ARC, 1990; 1991) highlighting the event of IHL education.

With the occurrence of many natural disasters and conflict worldwide the organisation made an ongoing commitment to dissemination of IHL information (ARC, 1992). The ARC frequently highlighted the increased demand for the ARC to be involved in IHL awareness and programs (ARC, 1993; 1994) and education on IHL. Problem of enforcement of IHL was noted as being of serious concern (ARC, 1998). The organisation used various methods to promote IHL education such as IHL moots (ARC, 2001).

The ARC worked tirelessly to promote IHL and ensure Australia's was an active participant in moving IHL forward and that legislation was kept up to date with international changes through ratification of additional protocols to the Geneva Conventions. Ongoing concerns were faced by the organisation with ensuring additional protocols of the Geneva Conventions were ratified as quickly as possible after introduction. The annual reports were used to highlight the need for government ratification of IHL additional protocols as they were introduced (ARC, 1976). The ARC discussed new protocols to the Geneva conventions and its successful conference, along with IHL developments such as delegate representative to government on IHL (ARC, 1974). Delays by the Australian government in ratifying protocols to Geneva Convention continued to concern the organisation (ARC, 1987).

Indefinite adjournment of the parliamentary debate on Bill to ratify additional protocols to the Geneva Convention was concerning (ARC, 1989) and the organisation continued to lobby for the need to obtain ratification of the Geneva Conventions Additional Protocols (ARC, 1990). Delays in obtaining endorsement of IHL in Australia persisting over many years (ARC, 1998), and issues with Geneva conventions needing some additional protocols of provision for a court with power to enforce law and public were highlighted (ARC, 2002).

Narrative legitimating techniques were observed in relation to ratification of the additional protocols. Explanations were provided with many details of the ARC's role in ratification of the Statute ratifying additional protocols to the Geneva Convention (ARC, 2002). Assertive statements were used to highlight achievements and developments in IHL and the role of the Red Cross in these achievements:

"Headed as the most significant international development since the UN, the creation of the ICC represents a milestone in the development of IHL". (ARC, 2002)

Evidence of successful management of the continuing problem of having the additional protocols accepted by parliament was provided (ARC, 1989) and assertive statements were used to provide evidence of success IHL management (ARC, 2002).

The role of IHL in peace was frequently discussed (ARC, 1985) along with problems with cases of misuse of the Red Cross emblem (ARC, 1988) to inform and educate the reader on the importance of the emblem to the organisation. The organisation faced many IHL related events with ongoing concerns for misuse of the Red Cross emblem (ARC, 1993) and the breaches of IHL legislation observed around the world. New resolutions were passed at the 26th International Conference (ARC, 1996) but the ongoing challenge of behaviour in relation to law of armed conflict continued (ARC, 1997). The organisation formed new IHL Committee roles (ARC, 1997) and identified the Landmines project as a priority. The landmines project aimed for an international ban on land mines, (ARC, 1997)

The ARC was an active proponent of the landmines project, calling for bans on land mines (ARC, 1997). The organisation was also involved with the Parliamentary Joint Standing Committee on Treaties which was convened to provide inquiry into the UN Convention on the Rights of the Child in April 1997 (ARC, 1997). The ARC became increasingly concerned over the use of mercenaries in armed conflict (ARC, 1997) and the problem of enforcement of IHL and educating on the violation of human rights (ARC, 1998). Preserving unique status under the Geneva Conventions was identified as a priority and the need for an international criminal court was highlighted (ARC, 1999).

The ARC came to share the role of IHL management with the Australian Government and continued to highlight the need for an international criminal court (ARC, 1999). Long-standing issues of an additional emblem were raised (ARC, 2000). IHL was noted as an important component of the organisation with the Federation's Strategy 2010 identifying the organisation needed to improve efficiency and professionalism across four core areas - promotion of principles, IHL, disaster protection and technique and health and care services (ARC, 2001) Long standing issues with the misuse of the Red Cross emblem continued (ARC, 2000; 2001).

#### ***6.4.4.2 IHL - Structural and Procedural Legitimizing Techniques***

The organisation instituted a National IHL Committee (ARC, 1997). Seeking government engagement, the ARC moved the meeting of the National IHL committee to Canberra to

assist with engagement with relevant Government Departments including Foreign Affairs and AusAID (ARC, 2004). The ARC introduced a new National IHL Strategy (ARC, 2004). Many instances of cooperation with the government and particular politicians on IHL advancement and ratification of protocols were provided. Other examples of cooperation include work with a representative from the Commonwealth department Attorney General and Foreign Affairs and Trade and Academics and Professors (ARC, 1998). The ARC identified its IHL achievements as being many including major partnerships with legal firms bringing with it the benefits of advice, and inquiry and IHL (2001).

The shared role of ARC and Australian government of IHL was frequently highlighted. The organisation took steps to foster this relationship for example it moved its meeting of the National IHL committee to Canberra to assist with engagement with relevant Government Departments including Foreign Affairs and AusAID (ARC, 2004). Further evidence of successful cooperation included ARC Chair of IHL at the University of Melbourne (ARC, 1996), working with University of Melbourne on IHL development (ARC, 1999).

#### **6.4.4.3 IHL - Discussion**

From the analysis of the annual reports much discussion was observed on IHL and the importance of IHL and Principles to the survival of the organisation. The organisation used a range of communication based legitimating tools in relation to IHL including assertive statements, explanations, emotive language, evidence of success, acknowledgments, and visual disclosures. Structural and procedural techniques noted included IHL policy and procedure review and update, and external cooperation and endorsement.

This legitimacy event was affected by social and political factors. IHL is based upon the social concept of humanity with which the ARC based its principles. Social factors affecting this concept relate to the possibility that if the organisation acted in a manner inconsistent with the concept of IHL and its underlying concept of humanity, it would be acting inconsistently with society's views on humanity, resulting in a gap between societies expectations of the organisations. Political factors involved managing political bodies such as the government to ensure that IHL was managed well and that legislation remained consistent with the Geneva Conventions and its additional protocols.

### **6.5 Discussion and Conclusions**

Ensuring the ongoing role of the organisation has been a major concern for the ARC. The organisation used multiple communication based legitimating techniques to address the sub-

themes relating his topic which were the role in peacetime, and ensuring the ongoing role of the organisation in society through image management, maintaining support, involvement of youth, alignment of fundamental principles and IHL management. Table 6.1 below summarises legitimacy techniques observed for each of these topics.

**Table 6.1 Summary of Legitimizing Techniques – Theme One**

| Legitimacy Theme      | Communication Based |              |         |                  |                  |               |                |                  |        |                 |        | Structural /<br>Procedural Based |            |               |  |
|-----------------------|---------------------|--------------|---------|------------------|------------------|---------------|----------------|------------------|--------|-----------------|--------|----------------------------------|------------|---------------|--|
|                       | Assertive           | Explanations | Emotive | Evidence success | Blame and denial | Justification | Matter of fact | Education/inform | Visual | Acknowledgement | Review | Restructure                      | Procedural | Collaboration |  |
|                       |                     |              |         |                  |                  |               |                |                  |        |                 |        |                                  |            |               |  |
| Theme One - Role      |                     |              |         |                  |                  |               |                |                  |        |                 |        |                                  |            |               |  |
| 1.Role in peacetime   | √                   | √            | √       | √                |                  |               |                | √                |        |                 | √      | √                                | √          | √             |  |
| 2. Ongoing role:      |                     |              |         |                  |                  |               |                |                  |        |                 |        |                                  |            |               |  |
| - Image               | √                   | √            | √       | √                |                  |               |                | √                |        |                 | √      | √                                | √          | √             |  |
| - Youth               | √                   | √            |         | √                |                  |               |                | √                |        |                 | √      | √                                | √          | √             |  |
| - Maintaining support | √                   | √            | √       | √                |                  |               |                | √                | √      | √               | √      | √                                | √          | √             |  |
| - Principles          | √                   | √            | √       | √                |                  |               |                | √                | √      |                 | √      |                                  | √          | √             |  |
| - IHL                 | √                   | √            | √       | √                |                  |               |                | √                | √      |                 | √      |                                  |            | √             |  |
|                       |                     |              |         |                  |                  |               |                |                  |        |                 |        |                                  |            |               |  |

The ARC adopted communication and strategic and procedural legitimating techniques to ensure the organisation's role in peacetime and into the future was clearly defined and articulated. Communication based legitimating techniques were supported by an ongoing system of review and restructure. This incorporated multiple structural and procedural legitimating techniques, with frequent discussion of the importance of real substantive structural change, and implementation of policies to ensure the organisation's ongoing place in society. This is consistent with Suchman (1995), supporting the argument that substantive action needs to be not only undertaken but communicated for effective legitimacy management.

Ensuring alignment of the organisations values and society's expectations and values was challenging for the ARC following the end of WWII and establishing a role in peacetime proved a significant legitimacy concern for the organisation. The ARC responded to this legitimacy challenge by working to maintain existing legitimacy in this new setting and gain

legitimacy in new areas of service using multiple legitimating techniques confirming the use of these techniques as identified in past research and confirming that organisation's utilise a toolbox of legitimating techniques (Suchman, 1995).

#### **6.5.1 Role in Peacetime and Into the Future**

The language used in relation to the role of the organisation in peacetime and managing its image into the future was frequently assertive and emotive (Ogden and Clarke, 2005).

Statements on the role of the organisation were supported with explanations of the need for the organisation (Boiral, 2014), evidence of its success, acknowledgments, and visual disclosures (Samkin Allen and Wallace, 2010). The narratives used in relation to the organisation's role in peacetime were predominantly assertive and/or emotive in nature.

Structural and procedural legitimating change was considered critical to ensuring the organisation established and maintained its role in peacetime and into the future consistent with Suchman (1995). Major structural and procedural review and change was undertaken to ensure the organisation remained relevant and portrayed an image of essential and necessary to the public upon which it relied for resources (Wang, 2010). Substantive action was considered very important to survival by the ARC and real change was noted after WWII with emphasis of review and restructure of services immediately following the war and over time.

Adapting to change through the process of review and restructure to ensure the organisations remained relevant in society was identified as a significant element of management of image. Major structural and procedural review and change was undertaken to ensure the organisation remained relevant and portrayed an image of essential and necessary to the public upon which it relied for resources. The organisation undertook a review of its image, structure, policies and procedures (Soobaroyen and Sannasee, 2007), and updated its policies and procedures to ensure they were consistent with the organisations mission and image (Grafton, Abernethy and Lillis, (2011). External cooperation and endorsement was also considered important in maintaining the image of the organisation as necessary and legitimate member of society (Dowling & Pfeffer, 1975; Fiedler and Deegan, 2007).

The challenge of ensuring the role of the society in peacetime was mainly driven by social and economic factors. Social factors involved maintaining the dedication and interest of society in changing times when the organisation's perceived role in society was one of being

a provider of services in wartime. Economic factors involved the threat of insufficient financial support to continue the organisation (Suchman, 1995).

### **6.5.2 Youth**

Youth management in time of increasing change was identified by the organisation as being crucial and the organisation was passionate about ensuring youth had a continued role its activities. Many narratives were dedicated to the topic of youth and the annual reports increasingly dedicated a specific space to the discussion of the role of youth in the organisation. Communication based techniques include ongoing educating of constituents on the need for youth involvement and the use of assertive statements, explanations, evidence of success and acknowledgements were observed. Interestingly little emotive language was observed in relation to youth, but the language was frequently assertive and positive with many examples of success (Ogden and Clarke, 2005; Samkin, Allen and Wallace, 2010).

Some structural and procedural review and change was also undertaken to ensure the organisation remained relevant and incorporated youth to ensure the relevance and future of the organisation. The organisation undertook regular review of its youth policy and procedures, and restructured services as required. External cooperation and endorsement was highlighted in relation to youth also. Youth management was mainly concerned with social factors. Social factors involved maintaining the dedication and interest of youth in changing times.

### **6.5.3 Maintaining Support**

Maintaining support became increasingly concerning for the organisation, with rising demand in times of decreasing volunteers and memberships, along with decreasing financial support. Narratives relating to maintaining support were frequently assertive, but narratives on finances contained many explanations and assertive statements. Narratives on volunteers, members and staff were more emotive in nature over all. All areas of discussion contained examples of success with increasing use of visual evidence along with acknowledgments.

Structural and procedural based legitimating techniques were also utilised in relation to maintaining support included review of services, policies and procedures and increased external cooperation and endorsement particularly from corporate bodies. Review and change was not frequently linked to increasing demand and decreasing volunteer and member support numbers directly, but discussion of review and restructure was frequently highlighted in relation to finances with an emphasis on ensuring policies and procedures (Bommel, 2014)

were in place to ensure the organisation remained transparent and accountable (Geurtsen, 2014).

The legitimacy event of maintaining support was affected by all three types of legitimating factors, economic, social and political. Economic factors had a huge impact over time with the organisation relying on donations from the public and funding from the government for survival. Many economic crises arose with pressures on the economy from interest rates, inflation and recessions impacting the organisation. Social factors involved maintaining the dedication and interest of society in changing times were observed, and political factors involved keeping up with increasing demand resulting from government instituted legislative changes such as OH &S legislation.

#### **6.5.4 Principles and IHL**

Ensuring the organisation's principles remained aligned with society's views and expectations was identified as essential to long term survival of the organisation. The ARC highlighted the importance of the principles to the ARC, adopting assertive statements, explanations, emotive language, and evidence of success, acknowledgements and visual disclosures. The narrative techniques observed in relation to the principles of the organisation were largely assertive and emotive. Visual legitimating techniques were increasingly used by the organisation in relationship to principles including full pages containing single words or phrases relating to each principle. Frequent narratives were dedicated to IHL and the importance of IHL and Principles to the survival of the organisation. The organisation used a range of communication based legitimating tools in relation to IHL including assertive statements, explanations, emotive language, evidence of success, acknowledgments, and visual disclosure.

The legitimacy challenge of ensuring that the organisation acted with its fundamental principles, and that its principles were aligned with society's priorities, relates to social factors. Fundamental principles are the key principles with which the ARC bases all of its activities. Social factors affecting this concept relate to the possibility that if the organisation acted outside its principals it would result in a gap between the societies expectations of the organisation and its legitimacy setting causing a legitimacy gap. Alternatively, if the organisation's principles were not consistent with social views than the organisation would lose support.



The related legitimacy challenge of IHL management was affected by social and political factors. IHL is based upon the social concept of humanity with which the ARC based its principles. Social factors affecting this concept relate to the possibility that if the organisation acted in a manner inconsistent with the concept of IHL and its underlying concept of humanity it would be acting inconsistently with society's views on humanity, resulting in a gap between the society's expectations of the organisation and its legitimacy setting causing a legitimacy gap. Political factors involved managing political bodies such as the government to ensure that IHL is managed well in Australia and that legislation remained consistent with the Geneva Conventions and its additional protocols.

#### **6.5.5 Concluding Comments**

The ARC adopted communication and strategic and procedural legitimating techniques to ensure the organisation's role in peacetime and into the future was clearly defined and articulated. Communication based legitimating techniques were supported by an ongoing system of review and restructure, incorporating multiple structural and procedural legitimating techniques, with frequent discussion of the importance of real substantive structural change and implementation of policies to ensure the organisation's ongoing place in society. This is consistent with Suchman (1995), supporting the argument that organisations will utilise a toolbox of legitimating techniques with substantive action communicated for effective legitimacy management. Legitimacy events classified under Theme 2 are discussed next in Chapter 7 and Theme 3 is discussed in Chapters 8.

## Chapter 7: Theme 2 - Criticisms

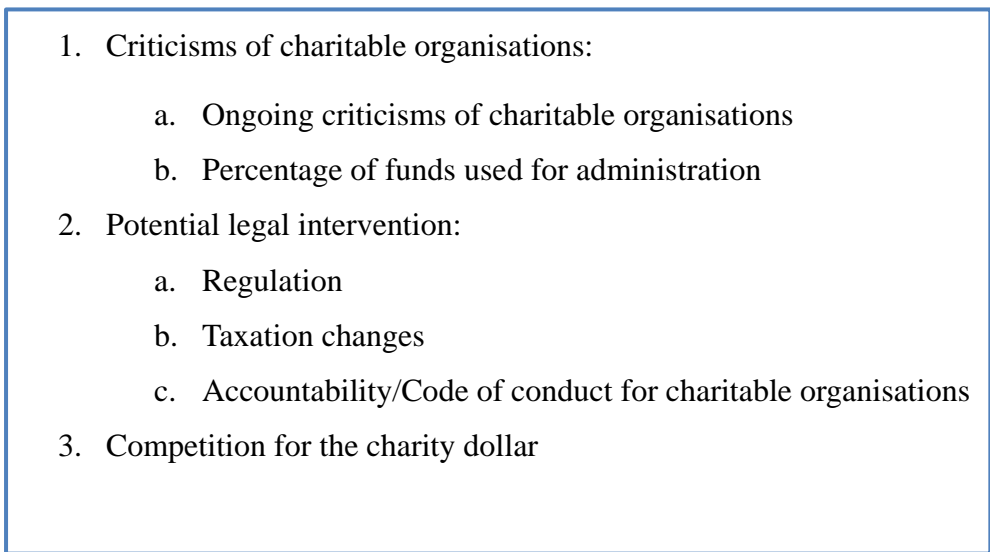
### 7.1 Introduction

This chapter being the third of the results chapters presents legitimating techniques utilised by the ARC in response Theme 2: Criticisms. This legitimating event relates to challenges experienced by the ARC as a result of criticisms of charitable organisations in general, specific criticisms of the ARC's use of funds, and a set of smaller isolated events potentially challenging the legitimacy of the organisation. Classification of this theme is discussed in Chapter 4, but a brief overview is provided here along with presentation of related legitimating techniques. These challenges were grouped together because they provide a threat to the legitimacy of the organisation, either directly or indirectly through tainting of the industry. This grouping allowed identification of how the organisation responded to this legitimacy event in contrast to the ongoing challenges discussed in Chapter 5, to identify if the organisation's response was consistent with the literature on repairing legitimacy (Patton, 1995; Suchman, 1995).

### 7.2 Criticisms of Charitable Organisations

The analysis identified many challenges faced by the charitable organisations. Legitimacy challenges relating to criticism are presented in Appendix H. Figure 7.1 contains a summary of general challenges faced by charitable organisations in general. These challenges were divided into three categories, criticisms of charitable organisations, the threat of legal intervention and competition for the charity dollar. Each is discussed below in the context of legitimating techniques.

***Figure 7.1 Challenges faced by charitable organisations***

- 
1. Criticisms of charitable organisations:
    - a. Ongoing criticisms of charitable organisations
    - b. Percentage of funds used for administration
  2. Potential legal intervention:
    - a. Regulation
    - b. Taxation changes
    - c. Accountability/Code of conduct for charitable organisations
  3. Competition for the charity dollar

Increased criticism of charitable organisations was coupled with greater expectations and competition for resources. This combined with multiple demands on the public dollar, placed increasing stress on organisations such as the ARC, in times of increasing demand for services with increasing costs and decreasing donations. The challenge of keeping up with increasing demand in difficult time was discussed in Chapter 6. The more specific challenges are discussed here.

### **7.2.1 Criticisms and Events facing Charitable Organisations**

Increasing criticism of charitable funds was observed in the media articles and included criticisms of specific charitable organisations and the percentage of funds used for administration purposes.

#### **7.2.1.1 Specific Criticisms of Charitable Organisations**

Media articles examined contained details of a variety of small fundraising scams such as false Red Cross raffle sellers (Herald, 1947), and other bogus charity scams affecting the ARC and other charitable organisations. A number of incidences concerning other Australian charitable organisations were noted which potentially reflected badly on the industry in general. One such example was Amnesty International, who came under criticism with allegations that it paid the private school fees of its official, raising questions on whether donations reach the designated cause (The Australian, 1995). Another example was the criticism of CARE Australia. An inquiry into CARE Australia was undertaken early in 1995 (The Australian, 1995), and many articles were observed on the organisation who hit out in outrage (Daily Telegraph Mirror, 1995) threatening to take legal action. An audit was undertaken of CARE Australia which showed a misuse of funds (Financial Review, 1995) with CARE donations subsequently decreasing and a need for cut backs to staff.

Crisis continued for charitable organisations with St Vincent De Pauls (Vinnie's) facing an ideological feud splitting the catholic charity (Age, 1995), Unicef staff charged with fraud (Mercury, 1995) and criticism of the MS Society (Advocate, 1993). Media articles discussed the aid money trail (Herald, 1995), raising doubts over organisations use of funds. Scrutiny of aid agencies escalated (Australian, 1995), with an increased focus on the percentage of funds used for administration purposes.

### **7.2.1.2 Percentage of Funds used for Administration**

Charitable organisations have faced increasing criticism over the percentage of funds used for administration costs. The ARC asserted that the debate on humanitarian intervention was seen as obscuring the real issue of alleviating the misery of millions of people, and the focus on administration was detracting from the real focus of the organisation, which is to assist those in need (ARC, 1993). The percentage of funds used for administration costs continued to remain an increasing issue (Weekend Australian, 1995). Criticism over the percentage of funds going to administration continued over an extended period of time (Geelong Advertiser, 2005), with continuing calls for clarity on charity giving (AGE, 2015).

### **7.2.2 Threat of Legal Intervention**

Increasing public and government scrutiny, and greater competition for resources, resulted in further interest on the management and effectiveness of non-government organisations (ARC, 1997). The annual reports explain that the reporting requirements of Australia's overseas aid agency, AusAID tightened significantly providing an increased need for technology ie: computers on projects (ARC, 1997) and the increased threat of regulatory intervention.

The threat of legislative review and reform introduced further challenges for charitable organisations across a number of areas including taxation, fundraising and reporting. The threat of taxation of charities arose in the 1970s (Sun, 1974), and became an increasing concern in the 1990s. The focus on the tax law for charities was fuelled by claims that charity tax law was outdated, and that the charity structure was being used for tax evasion. Concern for tax changes increased in 1994 with the Federal Government inquiry into charity tax law (Sydney Morning Herald, 1994), but good news came in September 1995 with the decision that charities were to stay tax free (West Australian, 1995). Tax review was debated again later though (Advertiser, 1998).

Changes in Industrial laws also raised issues for charitable organisations which were increasingly looking to workers for support instead of volunteers (Herald Sun, 1994). Proposed changes in CGT was of concern to charitable organisation as it had the potential to impact on charities by affecting the taxation of donations (AGE, 1994). Discussion of fundraising and gaming legislation introduced challenges, but some relief was provided with gaming law revision in the 1990s (Telegraph Mirror, 1994).

### **7.2.3 Accountability/Code of Conduct:**

In addition to the many challenges facing charitable organisations, the organisation also faced diminishing volunteer and members support (discussed in Chapter 6), which potentially contributed to the move to more corporate like structures for these organisations with increased levels of paid employees. However, these increased administration costs (including wages), fuelled concern over the level of wages and other expenses of charitable organisations (Herald Sun, 1991).

By 1995 aid groups were facing the possibility of a code of conduct (Daily Telegraph, 1995) with argument that a code of conduct would be vital (Canberra Times, 1995), and the former Prime Minister Malcolm Fraser backing plans to tie aid to an ethics code (Financial Review, 1995). The ACFID code of conduct was introduced voluntarily by major aid agencies in 2005. In 2012 a transitional Charities Act was passed with the Charities Act passed in 2013 and commenced on 1 January 2014 (ACNC, 2016). The Act regulates the charities and not-for-profit sector. The Australian Charities and Not-for-profits Commission was established to oversee the Act (ACNC, 2016).

### **7.2.4 Competing for the Charity Dollar**

Charitable organisations experienced difficult times particularly in the 1990s, not only with times of turmoil in the charity sector, but also a time of cash crisis for charities (West Australian, 1994). Charities were criticised for being too dependent on public money (Border Mail, 1995) and a tough battleground in the war for the charity dollar ensued (Examiner, 1995). Donations were dropping in challenging times for charitable organisations with organisations such as the Salvation Army struggling (The Guardian, 1995).

### **7.2.5 Communication Based Legitimizing Techniques**

The ARC did not respond directly to each of these concerns, but it did make comments on its operating environment and the events being faced by the organisation and a number of communication based legitimating techniques were observed in relation to challenges around them. Explanations and a number of assertive statements on this topic were noted, along with increasing acknowledgment of contributors.

The organisation explained the ever changing and challenging environment within which it operated:

"In the present day world of instant global communications, ever changing computer technology and a more questioning approach to virtually all aspects of life, community

service organisations like ARC face events quite different and much more complex than those of even a decade ago" (ARC, 1997)

The ARC acknowledged those who were assisting the organisation continue in challenging times:

"...I thank all those who have helped to achieve the notable successes of the past year. Your commitment, expertise enthusiasm and compassion will continue to be vitally necessary and greatly appreciated, as we face up to the events in the years ahead" (ARC, 1997)

The ARC informed and educated the reader about the increase in the competitive environment surrounding the organisation, with many causes competing for the charity dollar (ARC, 2001). The organisation explained that each year saw an increase in demands of charitable and community organizations for public support (ARC, 1968). The ARC stated assertively the need for the organisation to embrace change and ensure it met high standards in uncertain and competitive times:

".....change is necessary in an increasingly competitive environment. Best Australian practice is no longer enough. Best world practice is now demanded" (ARC, 1997)

The organisation continued to use assertive statements to discuss the need for change to ensure the organisation would survive in difficult times (ARC, 2002). The ARC did not directly respond to legislative review or discussion specifically, but it did identify the need to institute changes to ensure its continued relevance. The ARC stated assertively the need to align its core activities and underlying vision and mission to those of public highlighting its commitment to demonstrating accountability:

"A commitment to donors that they will continue to provide regular reports on actions and spending" (ARC, 2005)

The organisation used some assertive statements in relation to the competition for funds (ARC, 1968). The organisation uses assertive statements about the competition between relief agencies being unhelpful and unnecessary. The annual reports assigned blame to the vigorous pursuit of media coverage by some agencies and the use of advertising (ARC, 1991). The organisation discussed the issue of relevance, validity and value of humanitarian action under

continued scrutiny in new century along with increased number of service providers with different standards.

The organisation provided evidence of its success regularly, for example on celebrating 85 years of serving communities in Australian and overseas (ARC, 1998). The ARC assertively acknowledged those involved with the latest round of governance changes:

"The second round of changes affecting the overall governance of the ARC could not have been achieved without the foresight and firm leadership of senior office" (ARC, 1998)

The ARC highlighted its achievements, providing evidence of success including maintaining and building up the momentum of strategic change, re-positioning the organisation in light of events of the new millennium and effects to reduce risk and increase accountability (ARC, 2004). Evidence of commitment by Australian Red Cross to genuine transparency and accountability continued to be provided:

"Evidence of the commitment by the Australian Red Cross 'to genuine transparency and accountability for their handling of donations and spending can be seen in the following:" (ARC, 2005)

The ARC explained that it participated in IFRC well-functioning national society self-assessment (ARC, 2005). The organisation explained the extra scrutiny faced by not for profit organisations such as the ARC and the introduction of the ACFID Code of conduct, assertively stating its compliance with the code:

"...changes in in the private and public sectors, it is not surprising that increasing public and government scrutiny and greater competition for resources have now cast an inquisitive light on the management effectiveness of non-government organisations NGOs" (ARC, 1997).

#### **7.2.6 Structural and Procedural Based Legitimizing Techniques**

The organisation did not directly link structural and procedural changes to the various challenges within its operating environment, but it did act to ensure the organisation had good corporate governance structures in place, creating a Strategic Change Steering committee towards the end of the 1990s following a continuous period of criticisms of accountability of charitable organisations. The organisation also updated the Society's Rules and assigned the Strategic Change Steering Committee to prepare a process of change designed to update and improve the organisation's structures of governance and management (ARC, 1998). The organisation provided an assertive discussion of the need to move forward with consultation

and institute real change around this time (ARC, 1998).vThe organisation highlighted positive change, assertively stating improvements that would allow the organisation to remain successful and receive continued support from the public in difficult times:

"Strategically the ARC is confident that the improvements and changes of the past several years, as well as the current initiatives, are ensuring that we can meet the needs of the people we strive to assist and build our capacity even further" (ARC, 2000)

The organisation discussed the challenge of finding its place in a modern complex world instituting internal review to ensure its survival:

"How do we at Australian Red Cross go about finding our place, our role, in a modern and increasingly complex humanitarian world? This is the question we were asking ourselves as we launched wholeheartedly into the most comprehensive internal review the organisation has ever undertaken in our 90-year history of service to the Australian people" (ARC, 2004)

The ARC used an assertive tone to discuss its development of a strategic plan for the future (ARC, 2004). Through development of the strategic plan the ARC consulted many constituents including members, volunteers and staff (ARC, 2004). The ARC underwent review and restructure to ensure the organisation was accountable and transparent. The organisation introduced a process of internal audit, developing an internal Audit Charter to include the standards, relationship and other internal audit arrangement application to the Australian Red Cross environment. An Audit & Risk Management Committee was introduced to develop an internal Audit Charter of standards (ARC, 2005).

The organisation aligned itself with the legitimate structure of the ACFID and demonstrated it was meeting its international and Industry obligations by alignment of Australian Council for International Development (ACFID):

"Australian Red Cross is a voluntary signatory to the ACFID Code of Conduct, which carries with it an obligation to provide regular information on overseas relief operations including the Tsunami Appeal, information that also benchmarks performance and rates Australian Red Cross highly in comparison with other major relief charities" (ARC, 2005)



### **7.3 Criticism over use of Funds - Specific Events**

Three specific incidences of criticisms aimed at entirely or primarily the ARC regarding its distribution of specific appeal funds were observed. These relate to the Bali bombing appeal fund (2002), the Asian Tsunami Appeal fund (2004), and the Victorian bush fire appeal fund (2009). Each of these criticisms and related legitimating techniques are discussed next.

#### **7.3.1 Bali Bombings**

In 2003 the ARC was the subject of ongoing criticism in the media over its handling of funds collected to support those affected by the Bali bombings. In its 2003 Annual Report the organisation acknowledged this negative media coverage. The Bali bombing and associated-criticism in media over Red Cross handling of Bali donations was discussed extensively in the 2003 and 2004 annual reports. The criticisms affected the organisation on multiple levels with the ARC experiencing a drop in donations for its winter appeal following the Bali bombings, which it linked to the negative comments in the media (ARC, 2003).

##### **7.3.1.1 Communication Based Legitimizing Techniques**

The ARC responded to the direct criticisms by the media in a swift and expansive manner, with the use of an extended range of communication based techniques in addition to an array of structural and procedural techniques. Due to the magnitude of the organisation's response each legitimating technique is discussed in some detail here.

##### **7.3.1.2 Educating**

The ARC dedicated considerable space in the 2003 and 2004 annual report educating the reader on the Bali bombing appeal, from the launch of the very successful appeal (ARC, 2003) to details of the ongoing project and after the bombings (ARC, 2004). The 2003 dedicated many pages to the discussion of the appeal and the criticisms were raised multiple times throughout the annual report (ARC, 2003). The 2004 report dedicated 2 full pages update on Bali appeal including statistics and photographs (ARC, 2004). The organisation provided details of the criticisms in the media:

"The issues raised in the media in May and June 2003, regarding Australian Red Cross handling of the funds donated to the Bali Appeal, are addressed on p22" (ARC, 2003)

Detailed information was provided on the Fund allocations with accompanying statistics and financial data:

"By the end of June 2004, we had completed distribution of the \$10.3 million allocated for

direct financial assistance to affected Australian. These funds assisted 570 Australians on 2,322 occasions across various programs over a 20 month period. In addition, we have assisted our clients in the transition phase between support being provided by the Bali Appeal Fund, and support being provided by government agencies" (ARC, 2004)

#### *7.3.1.3 Explanations*

The ARC provided many explanations regarding its handling of the Bali bombings and how it addressed constituent's needs, to demonstrate how it is a reliable and a good citizen and rebuild its reputation. The ARC devoted considerable space in the annual reports addressing the criticism in the media over its handling of Bali donations (ARC, 2003). The 2003 Annual Report was used to describe and explain the extent of the disaster with an emotive description of the event:

"On the night of 12 October 2002, two enormous explosions ripped through the Sari Club and Paddy's Bar in Bali, killing 202 people, including 88 Australians." (ARC, 2003)

The organisation explained how the successful fundraising efforts of the ARC were followed by criticisms in the media over its use of the funds seriously threatening the reputation of the ARC:

"Aspects of the Appeal were misunderstood or misstated by sections of the media and, as a result, by some members of the public who then became concerned about the way the Red Cross was alleged to be administering the Fund" (ARC, 2003).

The organisation explained that two newspapers had reported that some Australian victims were primarily unhappy with the delays surrounding the provision of prosthetic limbs (ARC, 2003). The organisation explained that it was not the responsibility of the Red Cross to fund prosthetic limbs (ARC, 2003). The ARC also explained that it became necessary to devote much time, energy and resources to reassure the public that the monies were being used for the right purposes (ARC, 2003). The ARC explained that in response it immediately commissioned a report by independent auditors, providing an explanation of the process undertaken (ARC, 2003).

The results of the audit were explained, noting some deficiencies but overall the result was positive (ARC, 2003) The report acknowledged the difficulty of responding to such a large complex emergency and the organisation provided information on changes implemented in

response to the report (ARC, 2003). The ARC expressed its desire to move on from the drama and controversy explaining that now the report had been publicly disseminated, the organisation hoped that the media controversy would abate and that and they could concentrate on attending to the long-term needs of the victims (ARC, 2003).

The ARC provided an explanation of the effects of the criticisms on donations, which dropped in the Winter appeal which followed and focused on the work that the organisation undertook with the funds raised and in particular management of the project. The ARC explained the work undertaken to keep its website updated and provided information concerning the team member sent to Bali to make international media contacts and help manage media enquiries (ARC, 2003).

The 2003 Annual Report included explanations of the distribution of the fund and evidence of transparency, including pie charts showing the allocation of funds and total funds raised, allocation of assistance in Australia and Bali, and statistics and pie charts showing the breakdown of costs including administration costs (ARC, 2003). In the 2004 Annual Report further explanation was provided on use of the fund and cooperation with the local government in affected areas and final distribution of the fund:

"2004 has seen the final stages of payments from the Bali Appeal Fund to those Australians with ongoing needs, and all the while we have been working closely with the Australian Government to ensure a smooth transition between Red Cross assistance and government aid" (ARC, 2004)

Explanation of the organisation's strategy of communicating Bali Appeal information was included, and the organisation explained the challenges facing them administering the Bali Appeal Fund (ARC, 2004). The 2004 Annual Report was used to refresh the readers knowledge on the Bali bombings explaining the problems experienced. An explanation of the funds used was provided to assist quell the criticism over the percentage of funds used for administration purposes with statistics and details of the fund (ARC, 2004).

#### **7.3.1.4 Emotive**

The ARC used emotive statements in its Annual Reports to appeal to constituents and persuade the reader that the organisations intentions with the Bali fund where honourable and that they had the victim's best interest at heart:

"To all you who suffered so terribly from the horrors of the tragedy in Bali - you remain constantly in our thoughts" (ARC, 2003)

#### *7.3.1.5 Assertive Language*

In its many explanations and emotive statements regarding the Bali bombings in the 2003 and 2004 Annual Reports the organisation frequently spoke in an assertive manner to communicate authoritatively to constituents. The organisation spoke assertively of the horror of the bombings and the organisation's quick response to the disaster:

"After the bombings in Bali in October 2002, Australia Red Cross moved quickly to assist the victims, both in Australia and in Bali in cooperation with Indonesian Red Cross" (ARC, 2003)

These legitimating techniques were in line with the techniques used by the organisation to maintain and gain legitimacy in relation to the ongoing role of the organisation discussed above. However, a major contrast in legitimating techniques was the use of very plain, matter of fact language along with some attribution of blame, acceptance of responsibility and apology.

#### *7.3.1.6 Matter of Fact Narratives, Blame and Apologies*

The organisation spoke very clearly and matter-of-factly using clear narratives on the topic of the Bali Bombing, providing examples of excuses and justifications and assignment of blame. Consistent with prior literature the organisation assigned blame to an external party for this challenge, and directly assigned blame to the media for the criticisms, and subsequent decreasing public support resulting in decreased donations to the ARC:

"Sadly, the donations dropped for the Winter Appeal, influenced no doubt by the Bali media situation (see p22)". (ARC, 2003)

The ARC admitted some responsibility for the situation stating that improvements could be made to the process of the organisation and provided a way forward for the future:

"With the benefit of hindsight, the clarity or timeliness of certain aspects of Red Cross communication with the victims and the donating public could have been improved to ensure no gaps arose on the actual intent and progress of the Fund. There was no evidence of fraud or misuse of donor funds" (ARC, 2003).

The ARC acknowledged the findings of PwC audit and committed to implementing its recommendations (ARC, 2003). The ARC provided justification for its action with support from the independent audit:

"It further stated that the Red Cross had faced a period of extraordinary stress, which would have stretched the resources, staff and capabilities of many organisations; but found that while not perfect its systems, staff, control and approach coped remarkably well". (ARC, 2003)

The ARC apologised directly to the victims of the tragedy:

"The Red Cross regrets any anguish the controversy may have caused the victims of the Bali tragedy and their families during the most difficult period in their lives". (ARC, 2003)

#### *7.3.1.7 Evidence of Success*

The ARC provided many examples of the success of the Bali Bombing Fund to persuade the reader of the success of the project, including a mass of accounting evidence and statistics. A section of the 2003 and 2004 annual reports were dedicated to reporting on the fund highlighting the success of the fund which in Australia which reached \$15 million (ARC, 2003). The ARC provided evidence of the projects success in an assertive tone (ARC, 2003), along with evidence of successful cooperation with the Indonesian partners (ARC, 2004). Importantly, the organisation provided evidence that they had taken the incident seriously:

"Contributed to Senate Privacy Inquiry, sharing lessons from the Bali appeal experience about the importance of information exchange" (ARC, 2004).

#### *7.3.1.8 Acknowledgements*

The ARC commonly acknowledges of a variety of supporter in its annual reports. The annual reports following the Bali bombing were no exception, thanking a range of people. The acknowledgments were quite positive and emotive in nature and focused particularly on the Bali Bombing Fund:

"Australian Red Cross wishes to thank the numerous organisations, companies, government departments and individuals who generously donated to the Bali Appeal Fund ..." (ARC, 2003)

The ARC highlighted the role of the Bali Assistance Fund Steering Committee, thanking specifically all that served on this committee (ARC, 2003). The annual reports also

acknowledged those who had donated to the fund in an assertive manner (ARC, 2003).

#### **7.3.1.9 Visual Disclosures**

The annual reports of the ARC frequently contain photographs with some use of graphs, tables, and statistics. What was interesting about the organisations technique to the Bali bombing crisis was the increased use of visual evidence with many photographs, graphs and statistics relating to the Bali Appeal Fund used in the 2003 and to a lesser extent in the 2004 annual reports including a sudden use of pie charts (ARC, 2003). An excerpt from the 2003 annual report is included in Appendix Q shows some of visual techniques used in relation to the Bali bombings.

#### **7.3.2 Bali Bombings - Structural and Procedural Changes**

The most notable aspect of the Bali Bombing Fund crisis was the organisation's immediate implementation of review and change, and the effort taken to advertise these changes.

##### **7.3.2.1 Review and Restructure**

The ARC immediately set in progress a process to review and re-establish strategies, policies and procedures to police and monitor its actions, and ensures the goals of the project and the organisation as a whole were met. The organisation commissioned an independent audit of its process and administration of the Bali Appeal which determined that although its policies were solid some improvements that could be implemented for future appeals PwC (ARC, 2003). The ARC explained the audit report acknowledged the difficulty of responding to such a large complex emergency using the report as evidence of success and endorsement:

"It further stated that the Red Cross had faced a period of extraordinary stress, which would have stretched the resources, staff and capabilities of many organisations; but found that while not perfect its systems, staff, control and approach coped remarkably well" (ARC, 2003)

The report recommended establishment of a risk assessment methodology including: a rigorous communications management process for all appeals and activities and the continuation of input from victims in developing guidelines for assistance for the Fund and future appeals. The ARC continued discussions with government to amend privacy laws in emergency situations and identify how multi-agency responses can be improved to ensure that victims understand which agency will support their needs and how they can best access such assistance (ARC, 2003).

The organisation asserted that it would implement the recommendations of the report (ARC, 2003) and identified endorsement and support of legitimate parties in support of the report:

"Government endorsement: Prime Minister John Howard welcomed the findings of the PwC Report. He acknowledged that the Red Cross had worked hard to support the victims of the Bali tragedy, and appreciated its cooperation with Government on this matter".

In addition to ARC initiated audit separate review of the Bali Appeal Fund were undertaken by the NSW and Victorian Governments which concurred largely with PwC's findings. The Victorian Government concluded that the Red Cross did not breach and State legislation. The NSW Government found that the Australian community could be assured that their donations would be used for the intended purposes of the Bali Appeal (ARC, 2003).

As well as the independent review of the Bali appeal fund, a survey was undertaken by the ARC to assess the perceived effectiveness of the assistance provided to victims (ARC, 2003). The organisation also formed a Bali Assistance Fund Steering Committee to ensure the fund was administered correctly. The organisation identified that in future it was deemed necessary to include external representation on Steering Committees to provide an added level of public confidence in decisions taken (ARC, 2003).

#### ***7.3.2.2 External Cooperation and Endorsement***

The ARC consulted professions for opinions through its audit undertaken by independent accounting business Price Waterhouse. In administering the Bali Appeal Fund, the ARC recruited friendly co-optees, partners and volunteers. The organisation undertook long-term projects for Balinese people in cooperation with the Bali Red Cross (ARC, 2003). It asserted the importance of corporate partnerships - generating income and interest:

".... as we look for modern approaches to improving the lives of vulnerable people, Australian Red Cross is continuing to establish and improve corporate partnerships, which provide financial and in-kind support for our programs and services". (ARC, 2004)

The organisation-highlighted partnerships with legitimate bodies such as law firm Mailsons Stephen Jacques, acknowledging its support that included pro bono legal services (ARC, 2004).

### **7.3.3 Boxing Day Asian Tsunami – Criticism of Use of Funds**

In December 2004 what was to be known as the Boxing Day Asian Tsunami occurred. A massive fundraising effort followed raising millions of dollars in donation by the ARC and other charitable organisations. The ARC and other charitable organisation were criticised over its use of funds, and in particular, the percentage of funds used for administration purposes.

### **7.3.4 Boxing Day Asian Tsunami –Communication based Techniques**

#### **7.3.4.1 Educating**

The ARC devoted considerable space in its 2005 annual report to educating readers on the 2004 Asian earthquake and tsunami crisis providing details of services given to the area which included blood transfusion services, ambulance and first aid, disaster preparedness, long term recovery and rehabilitation (ARC, 2005). The organisation discussed the long term need to help tsunami affected regions and identified that it was a challenging world and thus the need to ensure still relevant and efficient in provision of its assistance to those suffering from the effects of the Asian Tsunami (ARC, 2005) and rehabilitation and recovery (ARC, 2006).

The Tsunami images dominated the media coverage (ARC, 2005) and the ARC responded by providing a full of page information on Tsunami titled “The Tsunami Event along with photographs and statistics and personal stories and project details (ARC, 2005).

#### **7.3.4.2 Assertive Language**

The ARC used assertive comments to state that the organisation was straight into action (ARC, 2005). Statements regarding dealing with a challenging world and the need to ensure still relevant and efficient and staying legitimate provider of services in Australian light of the criticisms over the Asian Tsunami were also stated assertive (ARC, 2005).

The 2005 annual report included many assertive statements often with emotive aspects (ARC, 2005). The annual report stated that it was major event for the communities to recover from the Tsunami and ongoing commitment would be needed (ARC, 2006). It included assertive stories of re-building and its achievements and a promise of accountability:

"A joint commitment by the major overseas aid agencies for the first time to demonstrate accountability for donor funds through quarterly reports on activity and spending in the



tsunami response - reflected through the public accountability pledge on 17 January 2005 by the heads of Oxfam Australia, CARE Australia, Australian Red Cross and World Vision Australia" (ARC, 2005)

The ARC addressed the notion that it was a challenging world and the need to ensure still relevant and efficient in a positive and assertive manner (ARC, 2005). Interestingly the annual report then went straight into a discussion on good governance and its new Five Year Strategy.

#### ***7.3.4.3 Emotive Language***

In response to the criticism over the use of Tsunami funds the ARC used emotive techniques, providing emotionally charged personal stories and photos and project details of assistance to these individuals (ARC, 2005). The organisation also included emotive statements such as:

"Equal to the scale of the disaster was the amount of goodwill shown by the sheer number of people around the world who put their hands in their pockets, and by the Red Cross and Red crescent volunteers, amongst others, who were on the ground as the disaster unfolded" (ARC, 2005)

#### ***7.3.4.4 Boxing Day Asian Tsunami – Evidence of Success***

The ARC provided evidence of success of the project in order to persuade the reader that the project was successful including statistics. The organisation provided details of the process from establishing contact for tsunami victims through to providing assistance and solutions to the issues faced by survivors (ARC, 2005). The ARC provided of evidence success:

“A disaster that took only an hour to unfold became Australian Red cross third largest disaster technique of all time - surpassed only by two world wars. Red Cross raised \$120 million in Australia through the Tsunami Appeal” (ARC, 2005)

#### ***7.3.4.5 Boxing Day Asian Tsunami – Explanations***

The ARC did not address the criticism relating to the Tsunami directly but provided explanations of the Tsunami event and highlighted the fact that the organisation was a voluntary to the ACFID agreement and bound by the rules of the agreement (ARC, 2005). The 2005 annual report explains that the management group of the ARC operated until board established an ongoing Asian Quake and Tsunami Appeal Steering Committee. The ARC discussed the Asian Quake and Tsunami Appeal Steering Committee Tsunami:

"Australian Red Cross is a voluntary signatory to the ACFID Code of Conduct, which carries with it an obligation to provide regular information on overseas relief operations including the Tsunami Appeal, information that also benchmarks performance and rates Australian Red Cross highly in comparison with other major relief charities" (ARC, 2005)

"Evidence of the commitment by the Australian Red Cross 'to genuine transparency and accountability for their handling of donations and spending can be seen in the following pages....." (ARC, 2005)

The ARC explained the process of rehabilitation and recovery was a major event recovering from Tsunami and highlighted its ongoing commitment to the project (ARC, 2006).

### **7.3.5 Boxing Day Asian Tsunami – Structural and Procedural Techniques**

The ARC explained that the management group operated until the board established an Asian Quake and Tsunami Appeal Steering Committee (ARC, 2005). Assertive statements were used to declare the ARC was working in cooperation with other major aid agencies. The ARC discussed the Tsunami and staying legitimate provider of services in Australia highlighting its alignment and compliance with the newly introduced ACFID code:

"Their compliance with the ACFID industry Code of Conduct, including their obligation to publish full financial reports complete with audit results. (Note, in 2004 the Australian Consumers Association rated this Code as one of Australia's best industry regulatory Codes due to its transparent reporting, strong sanctions and independence".(ARC, 2005)

The organisation also stated that it participates in IFRC well-functioning national society self-assessment (ARC, 2005):

"This self-assessment also looks at improvements in capacity building, the effectiveness of relationships within the Movement and the involvement of members and volunteers. As at the date of this report the results of the self-assessment are not available but will be distributed widely when available. Action plans will be developed to address any specific issues" (ARC, 2005)

The ARC bolstered its legitimate image by providing details of cooperation with other legitimate parties stating that over 20 Red Cross partners were operational and that the ARC was one of them. The organisation provided details of assistance provided to the Tsunami victims and how the organisation was working with community leaders to discuss local needs

(ARC, 2005).

#### **7.3.6 Victorian Bush Fires**

On the 7<sup>th</sup> February 2009 bush fires swept through Victoria. The ARC immediately began fundraising for the victims of the fires. The ARC was again criticised for its use of the funds raised. The organisation provided very little comment or explanation in its annual reports on the criticisms, which is in stark contrast to its response to the criticisms over the Bali Appeal fund. The ARC provided information about its responses to the bushfire crisis providing case studies comprising personal stories of those affected by the fires. It also provided statistics on its technique. However there was no mention of the criticisms regarding its management of this appeal fund. The annual report contained some assertive/emotive comments on the disaster such as:

"At the end of January 2006, bushfires raged across Victoria. While fire fighters battled the flames, teams of Red Cross volunteers worked in sweltering conditions, assisting local communities by feeding hungry fire fighters, bandaging burns and comforting traumatised evacuees" (ARC, 2006)

The ARC didn't defend or explain the criticisms over the bush fire, but it did provide information on the project and the distribution of funds including personal stories of those affected by the fires along with statistics. The organisation's response to both the Tsunami and Victorian Bush Fire criticisms was noticeably reduced in comparison to the massive response to the Bali bombings criticisms.

#### **7.4 Smaller isolated Challenges**

The ARC faced many smaller events that were raised in its annual reports. In 2005 the ARC were subject to staff bullying and harassment claims regarding the use of email for bullying and harassment purpose, and issues with procedures used in Kermas/Cosmetic Camouflage services (ARC, 1981). In addition the society discussed issues of the Red Cross charging fees for services (ARC, 1981). Other issues raised include concern with rigidity of accounting standards (ARC, 1993), administrative concerns and changes such as a major change of Board in 2008 with the loss of four experienced Board members in one year (ARC, 2008).

The death of delegates was addressed and it was explained that due to the nature of the work carried out by the organisation, overseas placements of delegates is inherently dangerous.

Delegates have lost their lives, for example a ICRC staff member was killed in 1992 and another in 1997, and in 1997 there was a detention of an ARC nurse working in Sudan and the killing of six RC workers in Chechnya (ARC, 1997).

Political concerns have also effected the operating environment of the ARC including the delay in International Conference due to political difficulties on Palestinian representation at the conference (ARC, 1996). The South African government suspended delegation from the conference as result of certain governments actions Assertive (ARC, 1987). In 1986 the IRC were pressured to suspend its Conference in South Africa for political reasons. The organisation provided an explanation of the situation and why the South African RC was not suspended from the conference and praised its work in a positive way. The annual report included defensive statements and the fact that it was not happy with the decision and the government insistence that suspension occur (ARC, 1986). The annual report included assertive comments such as the following:

"Despite the unwarranted use of the IRC conference as a political vehicle the RC movement, of which the Arc is an integral part, will continue its humanitarian work around the world in full accord with its fundamental principles" (ARC, 1986)

## **7.5 Concluding Comments**

This chapter presents legitimating techniques in relation to Theme 2: Criticisms, which encompasses criticisms of charitable organisations in general, criticism of the use of funds by the ARC specifically, and a set of smaller challenges. Table 7.1 provides a summary of legitimating techniques observed in relation to this legitimacy event. All of the challenges relating to this legitimacy event potentially threatened the legitimacy of the organisation, but a significant variation in response and choice of legitimacy techniques was observed, supporting Suchman's (1995) arguments that organisation will select legitimating responses depending upon the legitimacy scenario.

**Table 7.1 Summary of Legitimizing Techniques Theme Two**

| Legitimacy Theme             |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
|------------------------------|---------------------|---------------------|----------------|-------------------------|-------------------------|----------------------|-----------------------|-------------------------|---------------|------------------------|-------------------------------|--------------------|-------------------|----------------------|
|                              | Communication Based |                     |                |                         |                         |                      |                       |                         |               |                        | Structural / Procedural Based |                    |                   |                      |
|                              | <i>Assertive</i>    | <i>Explanations</i> | <i>Emotive</i> | <i>Evidence success</i> | <i>Blame and denial</i> | <i>Justification</i> | <i>Matter of fact</i> | <i>Education/inform</i> | <i>Visual</i> | <i>Acknowledgement</i> | <i>Review</i>                 | <i>Restructure</i> | <i>Procedural</i> | <i>Collaboration</i> |
| <b>Theme Two -Criticisms</b> |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| General criticism            | √                   | √                   |                | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Specific criticism           |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| Bali                         | √                   | √                   | √              | √                       | √                       | √                    | √                     | √                       | √             |                        | √                             | √                  | √                 | √                    |
| Asian Tsunami                | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        |                               |                    |                   | √                    |
| VIC bush fires               |                     |                     |                |                         |                         |                      |                       | √                       |               |                        |                               |                    |                   |                      |
|                              |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |

The first legitimacy challenge related to the organisations management of threats to charitable organisations in general. This did not involve direct criticisms of the organisation, but created a difficult environment for the ARC to work in. The ARC educated the reader about the increasingly competitive environment surrounding the organisation, with many causes competing for the charity dollar, and increasing demands of charitable and community organisations for public support. The ARC use a small number of communication based legitimating techniques in response to this challenge, including assertive comments and explanations on accountability and transparency.

However the organisation did work strategically over time to ensure it had structures in place to demonstrate the organisation efficiently used its resources, and to ensure that it was accountable and transparent. Substantive action was considered very important to survival by the ARC, and real change was noted with emphasis of review and restructure of services (Wang, 2010) and the introduction of good corporate governance strategies (Aziz, Manab, and Othman, 2015) and signing up to voluntary code of conduct (Sarker, 2013).

This challenge required the ARC to manage social and political factors to manage its legitimate image. Social factors involved maintaining the support of society in times when charitable organisations were facing many threats to their legitimacy. Political factors

involved keeping up with government instituted changes and events, including changes in legislation, and the possibility of introduction of a code of conduct for charities.

The organisation's response to direct threats to the legitimacy of the organisation with criticisms in the media of its use of funds from the Bali bombings, the Asian Tsunami and the Victorian Bush fires was quite different and varied. The organisation responded very strongly to the criticisms over the Bali bombings (Oct, 2002) dedicating a significant portion of its 2003 and some of its 2004 annual report to educating the reader on the criticisms faced by the organisation and its response. Many explanations about this topic were provided, with frequent use of emotive discussion and many assertive statements. Evidence of the success of the program was provided along with acknowledgements of supporters. The language used was also quite often matter of fact in nature and the assignment of blame (Ogden and Clark, 2005; Boiral, 2015). The strong narratives around this challenge were supported by evidence of real change.

The ARC immediately initiated an independent external review of the Bali appeal fund and spent significant time explaining the review and its results in an assertive manner. The ARC also provided significant evidence of external cooperation and endorsement of legitimate bodies (Dowling and Pfeffer, 1975) for example the independent government review of the fund. The response in relation to the criticisms over the use of funds for the Asian Tsunami and the Victorian bushfires was minimal in comparison. The organisation focused on discussing the achievements of the two funds, and focusing on major Strategy and corporate governance changes across the organisation as a whole.

A number of assertive statements were observed in relation to the Asian Tsunami fund along with emotive statements and explanations. Evidence of cooperation and endorsement were also provided. The ARC provided no discussion of the criticisms faced by the organisation over its use of the Victorian bush fire fund (Jan 2006), but dedicated space in the following annual report to explaining the distribution of funds and increased its use of personal stories and pictures. The smaller one off criticisms observed in the media articles were not discussed at all or little in the annual reports.

In contrast, a large portion of the annual reports were used to explain the criticisms aimed at the organisation over its use of funds raised for the Bali bombings victims, describing the effect of the criticisms on the organisation, and demonstrating how it had used the funds. Another major contrast in communication based legitimating techniques was the use of very

plain, matter of fact language along with some attribution of blame and apology. The immediate and extreme structural and procedural response was also notable.

It appears that the organisation tailored its response in light of the perceived threat to its legitimacy. The ongoing challenges were dealt with a somewhat leaner response, where the organisation responded swiftly and strongly to the direct threat to its legitimacy instituting real change. Some of the structural changes following the Bali bombing criticism could be argued to comprise part of the overall management of legitimacy discussed in Chapter 6. However, components of the subsequent review and restructure were directly linked to the damage of the Bali bombing media criticism, and the damage on the organisations image.

This challenge required the ARC to manage social and political factors to manage its legitimate image. Social factors involved maintaining the support of society in times when charitable organisations were facing many threats to their legitimacy. Political factors involved keeping up with government instituted changes and events, including changes in legislation, and the possibility of introduction of a code of conduct for charities.

## **Chapter 8: Theme 3 – Blood Transfusion Service**

### **8.1 Introduction**

This chapter is the fourth results chapter and presents legitimating techniques used in response to legitimacy events of Theme 3: management of the Blood Transfusion Service (BTS). The BTS has provided a source of both pride and ongoing concern for the organisation, and has been featured in many media articles, and every annual report. The ARC took full control of the blood donation services from the Army following the end of the WWII. The BTS operated under several different names over the time period studied, for consistency, the term BTS will be used throughout this research to refer to the blood services operated by the ARC.

Although the BTS was established as necessary in times of war, it took many years for the ongoing role of the Blood services in Australia, and the role of the government in the way of funding and assistance, to be established. The service struggled over many years with issues such as blood contamination and testing, and the continuous battle to cover the extensive and ever increasing costs of the service whilst keeping up with increasing demand for blood products. Blood is provided free in Australia, and it has been agreed that it was never to be sold, with some state governments introducing legislation forbidding the payment of donors or the sale of blood.

### **8.2 Blood Services – Ongoing Concerns**

Image based issues and concerns caused many ongoing problems for the BTS and consequently the ARC. The problems ranged from negative publicity over fees demanded by doctors for giving transfusions in the late 1940's, through to major concerns for the safety of blood products and the safety of transfusion for both donors and recipients with the identification and increased prevalence of blood borne diseases such as AIDS and Hepatitis in the 1990s. Appendix G contains examples of topics covered in media articles regarding the BTS. Table 5.4, discussed in Chapter 5, summarises ongoing and one off incidences relating to the BTS that were observed in the media articles. Based on this information, the BTS was identified as major legitimate event and labelled as Theme 3.

Media articles regarding the BTS cover a range of topics including the need for blood donations and funding for the BTS. The BTS was identified as draining the organisation of



funds as concerns over blood contamination and the screening process arose. AIDS contamination of blood and blood screening was frequently discussed in the media and many stories were observed on resulting legal claims against the ARC for compensation from recipients who subsequently contracted AIDS. Other forms of blood contamination such as Hepatitis C, Hepatitis A and CJD were also covered in the media articles.

The transfusion service worked closely with the Commonwealth Serum laboratories, but even with government cooperation and assistance, the ARC struggled to fund the BTS. After many years of struggling and multiple concerns, the Government commissioned a report on blood services in 1995, and in 1996 a separate national structure for the blood services called the ARCBS was founded encompassing previous state and territory services. In 1994, CSL was privatised, becoming CSL Limited. The BTS continued to supply CSL with donated blood for medical research purposes. This caused a major public-relations crisis for the BTS when it became known that blood donated for public benefit, without payment, was being used by a private industry for financial gain.

A variety of smaller one off incidences was observed in the media articles also. These incidences are summarised in Table 5.10 (see Chapter 5), and includes events such as concerns regarding doctors charging fees for blood transfusions and several incidences involving the death of donors and the death of recipients from transfusion error or the transmission of disease. Blood destroyed in storage was noted in the media articles along with criticism of the Red Cross over issues such as white cell donors. Criticisms of processes were also observed with articles on the two hour wait time to give blood, and various calls to improve the mobile blood bank service being noted. Banning of particular donors was outlined in the media at various points, such as the ban on homosexual people and donors who had Chronic Fatigue. The Red Cross considered charging for blood with the closure of some blood banks and the removal of volunteers. Media articles also mentioned calls for a national blood service.

Appendix O outlines events faced by the BTS observed in the annual reports. A discussion of the BTS is included in every annual report, with a dedicated section of the annual reports for the BTS in later years. Topics observed in the annual reports are consistent with those identified in the media articles, and include the increasing demand for blood and need for donors, increasing costs of the services, the safety of blood products, and a range of other

smaller issues concerning technical processes involved in blood products collection, production and storage.

### **8.3 Keeping up with Increasing Demand for Blood Services**

The BTS faced persisting issues with keeping up with increasing demand for blood products.

#### **8.3.1 BTS - Communication Based Legitimizing Techniques**

A range of communication based and structural and procedural based legitimating techniques were observed in relation to this issue.

##### **8.3.1.1 Educating**

The ARC dedicated considerable space in the annual reports and media articles to educating the reader on the blood services and the issue of keeping up with demand. When the Army blood units ceased to function, the blood services were completely taken over by the ARC. The Army donated their stocks of serum at the end of the war, but increasing demand for serum meant that the ARC need to identify steps to counter the situation. The BTS experienced difficulties producing wet serum in temporary premises which were set up in an effort to meet the increased demand for blood products. Increasing demand resulted from advances in medical procedures over time, and this combined with decreased donations following the end of war, placed stress upon the BTS.

The ARC educated the reader on action taken to manage the situation through serum management, and increased advertising via various means including posters, radio, newspapers and a blood donor badge system (ARC, 1946). Information was provided on work undertaken to ensure blood supplies were used efficiently, such as the use of blood substitutes, ice boxes, study visits, blood typing of service personnel, air dropping of serum and blood supplies, position regarding donors blood and serum, medical services (ARC, 1952). The steady increase in the population since the war, and the extended use of blood transfusion resulted in continually expanding medical services (ARC, 1955) and continuing increases in the demand for blood products (ARC, 1960).

Increased demand for blood and blood products was ongoing (ARC, 1963) and the increasing demand for blood was anticipated to continue at least partly due to need for blood required due to advances in medical procedures such as new types of heart surgery (ARC, 1961), and the increasing population (ARC, 1965). Use of blood and blood products was continually increasing requiring further donor recruitment (ARC, 1969). Contamination concerns impacted on donor numbers, and a lack of blood donors continued, resulting in deficient

blood supplies. This was coupled with increasing demand for blood and blood products due to further improvements in medicine (ARC, 1991; 1992; 1993). Further need for donors was identified with the discovery of Rh Disease in children and the shortage of suitable donors for Rh program to treat mothers and babies caused concern which coincided with the identification of a new hepatitis virus reported in USA (ARC, 1995). Attracting and retaining sufficient suitable donors continued to be of concern, with a decreasing donor numbers resulting from the controversy over blood contamination (ARC, 1995).

#### *8.3.1.2 Explanations*

Explanations were provided on many aspects of the running of the BTS, starting with the challenges of transition following the end of WWII:

"....the Blood Transfusion Service has swung over from a war-time to a peace-time footing and...." (ARC, 1946)

Explanation on issues with blood donation numbers was provided, with the need to bleed at least twice as many donors than as at present explained (ARC, 1950). Explanation was given of plans put in place to raise donor numbers, such as approaching the government to ask for public announcement on its policy on civil defence to assist in recruitment of donors and covering of costs for plan (ARC, 1952). Explanation was provided to educate the reader on the ongoing need for donations (1962) and problems keeping up with demand:

"The major problem of the BTS is still the recruitment of sufficient donors to meet a steadily increasing need. Strange to relate the recruitment of donors seems to present fewer problems in an under-developed Society such as PNG than it does in the more sophisticated one of the Australian mainland" (ARC, 1964)

Explanation of how the demand was being met was also provided (ARC, 1946; 1950). Problems with supply persisted with the number of donations collected not rising as steeply as needed (ARC, 1992). Explanations were provided of the effects of increased screening on the organisation's stores of blood products and the shortage of blood products such as plasma products (ARC, 1994). Explanations were also observed of efforts to remedy the shortage of suitable donors to meet demand from the need for blood for the Rh program to treat mothers and babies (ARC, 1995). Emotive statements were also observed in relation to the BTS.

#### *8.3.1.3 Emotive Language*

Emotive appeals to the readers were made to encourage increased donations, and to praise

donors (ARC, 1960) and pay tribute to donors:

"....we pay tribute to blood donors whose continuing goodwill and commitment remain fundamental to the provision of this vital service to the Australian community". (ARC, 2001)

The annual reports increasingly contained emotive based personal stories of lives saved by blood donated, along with the use of visual aids such as supporting photographs (ARC, 1962), and later including statistics, tables, and graphs (ARC, 2005). Emotive statements on the value of blood explaining that one donation of blood can be used for more than one patient were observed (ARC, 1972). Emotive acknowledgement of the many thousands of people helped by the Red Cross BTS across the nation was included in annual reports, and emotive statements on the BTS maintaining its vigilance to ensure that the services were conducted with maximum efficiency and safety were observed.

#### *8.3.1.4 Assertive Language*

Much of the discussion of the BTS was assertive in nature, demonstrating the successful management of the increasing demand for blood supplies often in times of diminishing donor numbers:

"...strict surveillance of the use of serum has become necessary so that nay shortage can be avoided" (ARC, 1946)

Assertive statements described methods utilised to manage blood products more efficiently explaining the advantages of methods such as fractionation, which uses blood more efficiently, to separate out elements and use for various different causes such as resuscitation, infectious disease, and haemophilia (ARC, 1950). Assertive statements highlighted the continuing need for donors and larger premises in some states, and plans for increasing the number of donors to meet demand (ARC, 1950). Assertive language was used to describe how the organisation's dedicated staff and donors were dealing with increasing demands on blood service.

Assertive statements were used to discuss improved use of blood and blood products and successful management of the BTS (ARC, 1981; 1982). Assertive discussion of the organisation's goal to supply 80% of blood supply in concentrated form was observed (ARC, 1981). The ARC assertively stated the value of giving blood, arguing that the fact that blood donors continued to gain a marvellous inner satisfaction remained one of the greatest assets

within the organisation. (ARC, 1990), highlighting the achievements of the BTS (ARC, 1991).

Assertive praise for donors (ARC, 1992) and expected future increases in plasma production (ARC, 2000), along with assertive discussion of the value of the blood services and assertive comments highlighting the need for blood services were observed (ARC, 2002: 2006). The blood services position was assertively stated, observing that fractionation of plasma from Australian donor plasma should be undertaken in Australia to ensure demand could be met, and the safety ensured, noting that review of the fractionation process was underway as part of the government's commitment under the Australia - US Free Trade Agreement (AUSFTA) (ARC, 2006).

#### *8.3.1.5 Evidence of Success*

The ARC provided evidence of success of the BTS in keeping up with demand such as the introduction of new systems and processes to help meet demand including the commencement of operation of a fractionation plant at Commonwealth Serum Laboratories (ARC, 1954), optimum use of blood products (ARC, 1972), increased use of blood service blood cell separator and the online donor matching service (ARC, 1978). Evidence was provided of improved methods to increase supplies of blood products (ARC, 1979), and the use of blood products such as plasma input (ARC, 1980). Evidence of successful management of blood products to keep up with demand included details of the high portion of plasma now frozen and sent for processing, and targets reached in order to meet needs of the Australian public (ARC, 1982):

"Standards for blood platelet collection and storage are well advanced and work is proceeding on those for the collection of concentrated red cells, whole blood and the storage of frozen red cells..." (ARC, 1981)

Despite decreasing donor numbers, evidence of successful production of good volumes of plasma, from which plasma products are manufactured, was observed (ARC, 1995). Evidence of success also included information on increased donor panels, new improved products and services and more effective use of resources (ARC, 1997). Further evidence of success included stories such as when the organisation reached its first target, which was to produce sufficient blood to meet needs of Australian community (ARC, 1981).

Details of improvement in donor numbers were frequently provided (ARC, 1951; 1955;

1959; 1960; 1961; 1963; 1964; 1978). Increases in donations continued to be noted (ARC, 1985: 1992:1999; 2000), with examples of success of new testing, evidence of maintaining donor numbers and recruitment proving success (ARC, 1985), and increased blood donation rates (ARC, 1992). Increases in donations were observed at times despite the organisation implementing donor deferral policies to deal with possible contamination issues such as mad cow disease:

"...significant achievement, particularly in view of the implementation..." (ARC, 2001)

The organisation successfully undertook a large recruitment drive with unprecedented media coverage, with increased blood donors and efficiency reinforced with personal stories highlighting the need for blood donations (ARC, 2005). Evidence of success was increasingly provided in the way of emotive profiles including personal stories of blood related success and statistics (ARC, 2006).

#### ***8.3.1.6 Acknowledgements***

As discussed previously, the annual reports frequently contain acknowledgment of various parties and regularly acknowledged blood donors and the government in relation to the provision and funding of blood services (ARC, 1949 onwards). Acknowledgement of exceptional services such as awards were noted including the Director of BTS being awarded a CBE (ARC, 1951). Acknowledgement of donors was often quite emotive in nature (ARC, 1962; 1963):

"...a further evidence of the great debt the BTS owes to its many thousands of voluntary donors on whose generosity and self-sacrifice the Service depends" (ARC, 1963)

Other practical government assistance and cooperation was acknowledged, for example assistance importing Rd products (ARC, 1995) and the reimbursement of costs by the government (ARC, 1974).

#### ***8.3.1.67 Visual Tools***

The annual reports increasingly contained emotive based personal stories of lives saved with supporting photographs (ARC, 1962), the use of visual aids such as photographs continued throughout the years and later included statistics, tables, and graphs (ARC, 2005). The headings for the section on the TBS in the annual reports became emotive.

"The gift of blood" (ARC, 2006)

### **8.3.2 Structural and Procedural Legitimizing Techniques**

The blood bank constantly looked for ways to improve the use of its blood supplies setting up a technical sub-committee to examine the possibility of standardising equipment, recommending formulation of Rules for Nomenclature of Human Genes and Collaboration between the Society and the Commonwealth Serum Laboratories (ARC, 1946). The BTS highlighted focus on the importance of research sending its TS Officer of laboratory to visit American labs to study latest developments (ARC, 1950). Research was undertaken into topics such as Homologous Serum jaundice, and the effects of fractionalisation on eliminating the risk of jaundice occurring after transfusion, further standardisation of equipment, and investigation into blood substitutes (ARC, 1950; ARC, 1951).

Report on the activities of the Committee and any sub-committees of the blood bank were provided (ARC, 1951). Modification of policies and processes was undertaken, with advances including training on the dry plasma, and care of blood to protect both the society and assist recipients (ARC, 1955). The use of plastic equipment needed to be explored so the service appointed a sub-committee to investigate possibility of introducing use in Australia (ARC, 1955). Major review and restructure of the BTS was undertaken in the 1990s to ensure its survival. The restructure is discussed in detail in relation blood safety and financial survival.

## **8.4 Safety of Blood Services**

A major ongoing issue for the ARC arose from ongoing concerns with blood contamination and transfer of disease through blood transfusion. An extended range of communication and structural and procedural based legitimating techniques were used to manage the organisation's legitimate image in relation to this topic.

### **8.4.1 Safety of Blood - Communication Based Legitimizing Techniques**

This safety of blood products and the potential for transmission of disease through blood transfusion was discussed in many media articles and annual reports

#### **8.4.1.1 Educating**

Much effort was made to educate the reader on the effects of concern over the safety of blood products and work undertaken to protect blood recipients and the BTS. Concerns over duty of care and liability in relation to blood donors and recipients risk became increasingly prominent (ARC, 1956). During the 1980's the risk of transmission of disease became an

increasing concern. Research was undertaken to determine the frequency with which hepatitis is transmitted by blood transfusion (ARC, 1981). The risk of the transmission of AIDS became a concern and more donors were needed to cover the increased quantity of blood required due to extra products being needed to allow testing, and the blood services faced a need for increased donor numbers due to loss of product due to heat treatment of products being used to prevent the AIDS transmission (ARC, 1985).

Details of issues raised by the AIDS threat were provided each year with information on blood testing. A decrease in donor numbers was experienced due to AIDS fears (ARC, 1986; 1987), and the fear of contracting AIDS from receiving or donating blood continued (ARC, 1988). The organisation raised the need to boost public image, with doubts on its image from ongoing publicity about AIDS which produced adverse effects on the number of donors exacerbated by the first reports of AIDS related legal actions against blood bank (ARC, 1988).

Increasing concerns over blood contamination arose with pending legal action against the ARC for HIV transmission in years before screening was available. This was followed by new risks with contamination from Hep C risk for blood (ARC, 1990). In response to the ongoing issues, the government reviewed blood transfusion services across Australia, starting with Western Australia (ARC, 1990). Rising costs of running the blood services continued with the threat of litigation coupled with increased screening costs (ARC, 1990). The ARC highlighted the need for and importance of the blood services amidst continued allegations of negligence from AIDS transmission (ARC, 1991; 1992; 1993). The structure of the blood service underwent a major change (1998) and challenging times for the new national blood service were observed (ARC, 1999).

Challenges continued with screening blood for HCV and HIV resulting in the major challenge of raising funds for new screening (ARC, 1999). Continued increase for some blood products was experienced as a result of the growing range of conditions treated with these products such as intravenous immunoglobulin, fortunately some success was experienced with increased donations and plasma produced (ARC, 2000). Readers were informed of changes of past years and problems keeping adequate blood supplies and the how the organisation consolidated its national development (ARC, 2001). In 2003, a Senate inquiry into Hep C and Blood supply in Australia was undertaken.



Further issues with contamination occurred requiring deferral of donors to protect against Creutzfeldt-Jakob Disease (VCJD) (ARC, 2001). Details of blood services and programs including staff training programs continued (ARC, 2003). Issues over past contamination continued with claims that plasma testing positive to Hep C antibody was used in the manufacture of plasma products in 1990 and results of a report by an expert advisory group on Hep C and Plasma set up to ensure effective management of the blood services were released (ARC, 2003). In addition, assertive language was frequently used to discuss blood contamination issues.

#### *8.4.1.2 Assertive Language:*

The safety of blood services caused many problems for the organisation, threatening the future of the blood services in Australia. Many assertive statements were observed assuring the reader of the safety of blood products and the research and progress made in this area:

"RC continues to make itself responsible for the health giving and lifesaving work of blood transfusion..." (ARC, 1949)

Assertive statements included topics such as preparation of detailed instructions for the care blood (ARC, 1956), duty of care regarding blood handling and dispatch (ARC, 1956) and successful blood management by the organisation (ARC, 1962). Assertive statements were also used to highlight new methods and the importance of keeping up to date with research (ARC, 1964; 1973), and assert the importance of the blood services (ARC, 1965).

Dramatic developments in blood management programs were highlighted (ARC, 1967). For example, success of the organisation's Rh(D) project as presented assertively (ARC, 1968) and medical advances and the increased demand for blood (ARC, 1969). Assertive statements were issued on the development in technology of blood fractionation (ARC, 1977) and on the organisation's submission to the law reform commission report on human tissue transplant and cases of post-transfusion hepatitis despite screening.

The ARC assertively stated its focus on maintaining high standards of its services (ARC, 1980) and the importance of quality in the BTS (ARC, 1983; 1988). The organisation argued assertively that it was acting to ensure blood products were safe from disease such as hepatitis and malaria, and AIDS (ARC, 1984) with statements on the successful implementation of rigid laboratory controls implemented to reduce threats to blood safety (ARC, 1984).

The ARC claimed that it was in a far better position than other countries (ARC, 1984), and pledged assistance to a campaign to promote principles of the Code of Ethics for Blood (ARC, 1984). The ARC used assertive language to describe the success of its screening (ARC, 1985). Assertive comments on the high standard of services provided and liaison with overseas bodies involved in the area were observed (ARC, 1986). Statement on the effectiveness of current screening program (ARC, 1987) and information on other country's blood services. It was stated that Australia was one of only 23 countries entrusted with role of blood bank (ARC, 1986).

The ARC asserted that donors were safe (ARC, 1986) and that there were no cases of AIDS by donated blood transfusion for an extended time and the successful settlement of claims against the organisation had been undertaken (ARC, 1993; 2000).

#### ***8.4.1.3 Evidence of Success***

The ARC provided many examples of successful management of the blood services, such as the development of a new screening available for Hepatitis (ARC, 1971), and the implementation of consistent practices (ARC, 2000). In particular the introduction of NAT testing reduced window period between infection and detection for HEP C viruses was celebrated:

"Australia has maintained its rare, self-sufficient status for blood and blood products, and the Australian Red Cross Blood Service (ARCBS) continues to provide the Australian community with one of the safest blood supplies in the world" (ARC, 2003)

The ARC provided external evidence of success of managing safety of blood products, and claims against the ARC for blood contamination and settlement of some claims with government support (ARC, 1993). The ARC made arrangements with governments of funds for protection from claims from transfusion recipients with uniform national indemnity (ARC, 2000). Evidence of the success of the blood services as a whole was provided such as meetings of the BTS Committee where recommendations were made of reorganisation of the Committee and approved (ARC, 1948). The ARC obtained successful research grants from the National Health and Medical research council (ARC, 1949), and celebrated registration of Society's laboratories with NHMRC labs in some states recognised as approved research institutions (ARC, 1951).

The ARC highlighted technical achievements with rare blood group types and new blood

treatment technology (ARC, 1962), and successful research such as its publication on the care of blood during transport and in hospitals (ARC, 1962) and other ongoing research papers (ARC, 1965; 1984). Details were provided of achievements such as the organisations new blood transfusion centre (ARC, 1968), granting of total exemption from duty for imported blood collecting needles (ARC, 1969), success of training programs across the country (ARC, 1971), overseas meetings and special projects, and success of the ABO blood grouping Sera project (ARC, 1974).

Details of attendance at successful overseas blood services conferences (ARC, 1979) were provided. Various successes were celebrated despite tragedy of the fire that destroyed blood plasma. The BTS celebrated being given total responsibility for blood services by the Australian government, describing the BTS as the largest activity of ARC (ARC, 1984), and creation of ARCBS new form of the BTS and integrated blood bank was highlighted (ARC, 1995) along with the benefits of later structural reforms (ARC, 1997).

#### **8.4.1.4 Explanations**

Explanation of contamination issues were observed throughout the annual reports and they are commonly used to address issues such as the AIDS threat to blood recipients and associated difficulty getting blood donors with false concerns of contamination by donors (ARC, 1986). It was explained the risks of transmission from the blood prepared before screening for AIDS began in 1985 (ARC, 1988) and HIV testing was introduced in 1992 (ARC, 1992). Explanations were increasingly provided of the increased possibility of infectious risk, and the possibility of transmission via blood (ARC, 1992). Explanation of the safety of blood products was provided:

"The safety of the Service, both to donor and recipient, has always been a matter of great concern to the Blood Transfusion Service and has been a major factor in its continuing re-occupation with the development of new techniques and equipment" (ARC, 1964)

The ARC explained the restriction of at risk donors to reduce the chance of transmission of disease via blood transfusion and explained the challenges faced by the BTS in this regard (ARC, 1971; 1985). Explanation of the safety of transfusions was provided (ARC, 1995) and the risks of blood service from vCJD disease (ARC, 2001). The report found that decisions taken in 1990 were made in order to provide a safe and secure blood supply. The ARC explained how it managed risks inherent in its blood bank activities (ARC, 2003). The organisation also explained the inquiry into contaminated blood products found that decisions

made at that time by the blood Service were based on the best information available, clearing the organisation of any negligence in its management of the blood supply (ARC, 2004). Explanation of possible legal action was provided (ARC, 1990).

#### **8.4.1.5 Other Narrative Techniques**

The organisation used a variety of other legitimacy narrative based tools that were not observed in relation to other legitimacy events, such as defensive statements, assignment of blame and speaking in a matter of fact manner with regard to the legal actions against the organisation for blood contamination. Defensive comments were used largely in relation to the legal actions against the organisation for blood contamination with the organisation defending allegations of liability (ARC, 1991)

"These actions will be defended." (ARC, 1988)

The discussion of legal action used very matter of fact explanations of the effects of the action on services, its impact on society, government responses, and the subsequent review of blood services in Australia (ARC, 1991). Ongoing concerns were also expressed in a matter of fact way as the risk of transmission of infective agents through blood transfusion remained a matter of concern (ARC, 1995). Blame was rarely used by the ARC but it was used on occasions in relation to the BTS:

"While the NBMS continues towards operational status, the project has experienced some delays over the last financial year, primarily related to government due diligence and development of revised operating systems" (ARC, 2002)

#### **8.4.2 Structure and Procedural Techniques**

Review and major structural and procedural changes were undertaken in management of the BTS. Several reviews of policy and procedures with reports were undertaken of the BTS in relation to the safety of blood products. A Seminar on Blood transfusion and Civil Defence and Preparation for the IVth RC International BT seminar (ARC, 1966), and a Tariff Board Enquiry into protection for Australian manufactured blood collecting needles were noted (ARC, 1969). Procedures for blood testing of diseases such as Hepatitis testing were introduced (ARC, 1972). The annual reports provide continued updates on advances and projects such as Hep testing, RH project clinical trial, ABO blood grouping sera project, Anti-Tetanus immunoglobulin, and discontinuance of the use of horse serum and overseas conferences (ARC, 1973).

Policies to encourage and support research were introduced with the BTS constantly looking for ways to improve its service through research and seminars (ARC, 1974). The organisation undertook research frequently and updated standards for transfusion (ARC, 1982). Training programmes were developed for non-technical personnel to improve processes (ARC, 1982). In response to the ongoing issues the government undertook a review of the BTS in Australia starting with Western Australia (ARC, 1990). The structure of the blood service underwent a major change (1998).

A review and report by the expert advisory group on Hep C and Plasma was undertaken (ARC, 2003). At this time significant changes in structure of the BTS were also undertaken:

“From 1 July 2003 the Blood Service underwent a significant change with the establishment of a new structure to facilitate delivery of its obligations to the National Blood Authority, a newly established Commonwealth Government agency” (ARC, 2004)

The new structure worked across five domains - Operations, Knowledge and Innovation, Transfusion Medicine Services, Support Services and Transplantation Services (ARC, 2004) and the BTS was established as a national body (ARC, 2005).

## **8.5 Rising Costs**

The ARC constantly faced concerns with providing the blood services in times of increasing demand for blood products and increasing costs. The financial strain on the ARC became almost unmanageable at times. The organisation worked to educate the reader on the need for financial support of the BTS.

### **8.5.1 Communication Based Legitimizing Techniques**

#### **8.5.1.1 Educating**

The BTS experienced ongoing issues dealing with the rising costs of the services. Financial assistance was promised by the State Governments in some Divisions (ARC, 1948). Some divisions experienced problems with premises (ARC, 1949). The organisation looked for ways to reduce costs and be more efficient with scientific conferences held on regular basis (ARC, 1949). A shortage of funds made it increasingly difficult for the BTS to meet its proportion of the operating costs and a conference was held to discuss its funding model (ARC, 1973). The need for more funding continued as the BTS continued to be major item of expenditure for the organisation (ARC, 1974). An increased need for financial arrangements with the government was identified as being necessary to tackle the problems with increasing

costs (ARC, 1976). Some relief came in 1977 with a new government financial arrangement (ARC, 1977).

#### ***8.5.1.2 Explanations***

Explanation was provided of rising costs of blood services and how this was becoming of increased concern:

"The cost of this service has mounted very considerably and has been a source of considerable concern to the Divisions. The Directors of the BTS endeavour in every way to run the service which they control as economically as possible, always observing the vital, underlying principle that no economy can be considered which will in any way interfere with the efficiency of the service" (ARC, 1948). Explanation of concerns over rising costs continued over time (ARC, 1969).

Explanations were provided identifying that the organisation was absorbing some services into repatriation and hospital services to reduce costs and to inform the reader on the promise of blood bank funding (ARC, 1948). The organisation explained that the cost of blood product increased due to screening and cost of providing services (ARC, 1992). The ARC also explained that not all governments contributed to the screening tests (ARC, 1993). The ARC provided explanations on the legal situation with claims from recipients of contaminated blood and the minimisation of the potential impact of such claims:

"The ARC considers that implementation of these schemes has minimised potential damage of the future of the Blood Transfusion Services ..... by avoiding long-term expensive, high media profile litigation." (ARC, 1992)

The BTS continued to provide explanation of the costs involved with running the blood services and how it had been a struggle to meet these costs, explaining that providing blood services cost a considerable amount as not fully paid for by government (ARC, 2006).

#### ***8.5.1.3 Assertive Language***

Assertive statements were observed in relation to the issue of the need for blood services, the inability of the ARC to continue running the services amid rising costs, and the need to reduce costs and for 100% government funding (ARC, 1949) and ways to reduce costs (ARC, 1968). Many assertive statements were observed on the need for increased government funding.

#### ***8.5.1.4 Evidence Success***

Despite increasing running costs, the blood services were growing considerably in all divisions (ARC, 1948). Evidence was provided of successful government funding which increased to 95 % (ARC, 1976), and later a new blood agreement with the government to increase funding to 100% (ARC, 2007).

#### ***8.5.1.5 Visual Disclosures***

Visual disclosures such as photographs, graphs, tables, charts and statistics featured regularly in annual reports with the use of statistics increasing notably over the years. Of particular note was the increased use of emotive stories with supporting photographs relating to the BTS (ARC, 2005; 2006; 2007).

#### ***8.5.2 Structural and Procedural Changes***

The ARC made many structural procedural changes in order to ensure survival of the blood services and enable it to maintain control of the services without bearing the costs of the service

##### ***8.5.2.1 Cooperation and Collaboration***

The BTS established many cooperative arrangements and endorsements. Examples of cooperation with other parties include liaison with Commonwealth Serum laboratories (ARC, 1946), work with the Australian Army (ARC, 1950), and the College of Physicians (ARC, 1956). The organisation also worked with Australian manufacturers to produce disposable plastic bag for blood collection (ARC, 1961) and collaborated with the government on group training courses in blood transfusion (ARC, 1976). The ARC worked with the Commonwealth's Blood Review Implementation Steering Committee (BRISC) and provided evidence of compliance with the Code of Good Manufacturing Practice (ARC, 1993).

##### ***8.5.2.2 Review***

In response to the many issues faced by the BTS, the ARC consistently reviewed its services and structure. When concerns over the safety of blood products and possible litigation combined with decreasing donor numbers and increasing costs escalated, a major review and change was necessary to ensure the survival of the service. The Commonwealth Review of the Australian Blood Banking and Plasma Product Service was reported on in June 2001. A 180 page report was prepared including 17 recommendations such as the continuation of voluntary non-remunerated blood donation system, provision of free blood products, centralised funding of blood service, and establishment of Nation Blood Authority. The establishment of a National Blood Authority was undertaken in July 2003.



#### **8.5.2.3 Change in Policy/Procedure**

In 2001 a new policy was introduced which precluded people from donating who had spent more than 6 months in UK. This supplemented existing policies on restrictions on donors to reduce the incidence of AIDS and Hepatitis related blood contamination. Contingency plans to replace donors, retain existing donors, and increase frequency of donations and monitor management of blood inventories were instituted when needed. Other policy and procedure changes include the rare blood group registry (ARC, 1961) and deferral of donors to protect against transmitted disease Creutzfeldt-Jakob Disease (VCJD) (ARC, 2001).

#### **8.5.2.4 Restructure**

In an effort to alleviate the effects of these issues the BTS was restructured several times. In 1996 a separate national structure for the blood services called the ARCBS was founded encompassing previous state and territory services. A new Constitution for the National Blood Service was introduced (ARC, 1961). Written and oral submissions were made to a further inquiry which handed down its report in June 2004 recommending changes in the structure of blood bank (ARC, 2004). A new structure was implemented with five domains - Operations, Knowledge and Innovation, Transfusion Medicine Services, Support Services and Transplantation Services (ARC, 2004). Establishment of National Blood Authority, ARC Blood Service Board and Advisory committee was undertaken (ARC, 2006). Review of practices and processes and a review of the organisation was undertaken to protect the future of its voluntary blood system (ARC, 2007).

#### **8.5.3 Other Challenges**

Isolated incidents occurred relating to the BTS regarding charging of fees for blood donations. It was explained that charges had been permitted in the various States under the Workers Compensation Act which varied considerably from State to State, and the question has been raised by donors as to why the charges are made (ARC, 1947). At this time an approach was made to the Federal Council of the British Medical Association to arrange for standardisation of fees (ARC, 1947) The issue of payment for blood was raised some years later with ARC now stating assertively its firm commitment to the voluntary blood donor system (ARC, 1975).

#### **8.6 Discussion and Conclusions – BTS**

The ARC faced ongoing legitimacy challenges in relation to the BTS including keeping up with demand for blood services, and blood contamination issues in times of increasing costs. The organisation had to work to maintain its legitimacy and both actions and disclosures were



used to do this with the organisation using an array of communication based and strategic and procedural legitimating techniques.

**Table 8.1 Summary of Legitimizing Techniques – Theme 3**

| Legitimacy Theme         |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
|--------------------------|---------------------|---------------------|----------------|-------------------------|-------------------------|----------------------|-----------------------|-------------------------|---------------|------------------------|-------------------------------|--------------------|-------------------|----------------------|
|                          | Communication Based |                     |                |                         |                         |                      |                       |                         |               |                        | Structural / Procedural Based |                    |                   |                      |
|                          | <i>Assertive</i>    | <i>Explanations</i> | <i>Emotive</i> | <i>Evidence success</i> | <i>Blame and denial</i> | <i>Justification</i> | <i>Matter of fact</i> | <i>Education/inform</i> | <i>Visual</i> | <i>Acknowledgement</i> | <i>Review</i>                 | <i>Restructure</i> | <i>Procedural</i> | <i>Collaboration</i> |
| <b>Theme Three - BTS</b> |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| Increasing demand        | √                   | √                   | √              | √                       |                         |                      |                       | √                       | √             | √                      | √                             | √                  | √                 |                      |
| Blood cont.              | √                   | √                   | √              | √                       |                         | √                    |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Rising costs             | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |

The events of increasing demand were discussed frequently to educate the reader using both media articles and annual reports. The language in the annual reports was commonly assertive with many explanations of the need for further donations and support to keep up with increasing demand and to highlight the ongoing need for the BTS. Emotive language was frequently used with increasing use of pictures and personal stories of recipients of blood products telling how it saved their lives. Policies and procedures were updated and research undertaken regularly to ensure that the maximum output could be obtained from minimum blood input. This challenge was one of maintaining legitimacy and the right of the ARC to run the BTS, and its ability to demonstrate it could do so efficiently and effectively and keep up to increasing demand.

Safety of blood products challenged the organisation's legitimacy, particularly from the 1990s onwards with threat to recipients of catching AIDS or Hepatitis or other blood born disease. The ARC dedicated space in every report to educating the reader on the concerns from blood contamination and how this was being addressed through blood screening and other measures. Assertive language was frequently used to discuss the safety of blood products with many emotive statements, explanations and frequent acknowledgements. The organisation also assigned blame and used some defensive statements in reference to possible

litigation from blood contamination. The organisation undertook many strategic changes including several major reviews and reconstruction of services.

Keeping the BTS going in times of increasing costs was a challenge in maintaining legitimacy for the organisation. The organisation frequently spent time educating the reader and explaining the need for financial support by the government of the BTS and the drain on the organisation through increased screening costs and potential legal suites against the organisation. Assertive language was frequently used to describe the need for financial support particularly from the government. Cooperation and endorsement was highlighted by the organisation particularly work with and support by the government.

To ensure the survival of the BTS, major review and restructure was undertaken and eventually the government agreed to fully fund the BTS. A new constitution for the BTS was issued in 1961. In 1996 a separate national structure for the BTS was founded which covered all states and territories. In 2003 a government review was undertaken and a report produced with implementation of a new structure. Thus even though narrative tools were used frequently in the relation to survival of the BTS, review and restructure was critical to its survival.

The organisation used both communication based and structural and procedural based legitimating techniques in response to the challenges facing the BTS and to maintain and image as a legitimate provider of this service. The organisation's legitimacy was threatened repeatedly over time through issues with contamination of blood and difficulties maintain the services with increasing costs. Real change was certainly instrumental in the organisation retaining control of the BTS but obtaining full funding from the government. The organisation's responses to all challenges relating to the BTS were swift and often forward looking which continuous communication to the public. The ARC utilised a full tool bag of legitimating techniques in response to these challenges (Suchman, 1995) and similarities arise between the organisation's response to these challenges and those discussed in previous Chapters. However the Bali bombings and the BTS challenges were the only challenges that induced the assignment of blame and direct apologies.

The BTS was affected by all three factors social, economic and political and involved gaining, maintaining and repairing its legitimacy. Social factors involved maintaining the

dedication and interest and belief of society in the need for the blood services with concerns over contamination of blood products. Economic factors involved obtaining sufficient funds to continue with the BTS in difficult times of increasing costs, including costs of screening and increasing demand for products. Political factors involved keeping the support of the government, and convincing it to fully fund and support the BTS, but leave the services under the control of the ARC.

## **Chapter 9: Discussion – Successful legitimization?**

### **9.1 Introduction**

This chapter examines the success of the ARC's legitimacy management efforts (Research Question 3) in the context of the legitimacy events outlined in Chapter 5, and the application of legitimating techniques discussed in Chapters 6 through to 8. Prior research has not identified measures of successful organisational legitimacy management, it has focused primarily on examining how and when organisations might manage their legitimacy, with some examination of the implications of unsuccessful legitimacy management (Ashforth and Gibbs, 1988; Sutton et al, 2007). With the acknowledged limitation that interviews were not available to confirm the perceived success of legitimating techniques (Section 10.9), a framework for examination of successful legitimization was developed based on prior literature on legitimacy management (Section 3.2.1.3).

The content analysis of media articles and annual reports, along with the study of the other resources available at the ARC, facilitated the development of an overview of the organisation. This provided a foundation for the examination of the success of the legitimating techniques utilised by the ARC in the context of the indicators of success (Section 3.6). The success of individual legitimating techniques was not examined; the focus was on the identifying whether the organisation had been successful in managing each legitimacy event utilising a toolbox of legitimating techniques (Suchman, 1995).

### **9.2 Indicators of Success**

Four indicators of success were proposed in Chapter 3 (Section 3.6) that could be observed from the content analysis of media articles and annual reports, and from the overview of the organisation developed. As discussed in Chapter 3, no established measure of successful legitimization exists in the literature, thus a set of criteria were developed based on Suchman's (1995) assessment of legitimacy management and prior legitimacy on legitimacy management presented in Chapter 2. Four criteria were developed that were used as a proxy to indicate successful legitimacy management:

1. ARC self-assessment, review and evidence of success (Suchman, 1995).
2. Independent review and report (Suchman, 1995).
3. Political and media assessment (Suchman, 1995).
4. Continued support of constituents (Suchman, 1995; Sutton et al., 2007)

Each legitimacy event was examined for indicators of success using the data collected in content analysis of media articles and annual reports. It was not expected that evidence of all indicators would be observed for every legitimacy event. However, it was contended that the ARC would provide evidence of success through its own self-assessment in all cases where it successfully managed a legitimacy event. Indicators of success are discussed for each legitimacy event next.

### **9.3 Theme One – Role of the Organisation**

The ARC has been able to redirect and change to keep pace with society over an extended period of time, with the organisation recently celebrating its 100 year anniversary. The organisation was able to reinvent itself and move successfully from a war focused organisation, to a modern, relevant organisation with a broad range of programs and activities. The ARC utilised its publicity department to demonstrate the need for the organisation following the war, but importantly underwent ongoing review and restructure to ensure the organisation remained relevant to society now and going forward.

#### **9.3.1 Role in Peacetime**

After the end of WWII the organisations was able to manage continuing deficits by utilising surplus funds accumulated over previous years efficiently. However the organisation needed to work quickly to ensure continued support from the public or the organisation was going to fail. The ARC directed effort into advertising the continued need for the organisation in media articles, but importantly underwent a process of review and restructure to ensure the organisation offered services relevant to a post war community, and was equipped to move forward.

##### **9.3.1.1 Self-assessment and Evidence of Success**

The ARC provided evidence of the organisation's continued success following the end of WWII particularly in its annual reports. The organisation provided multiple examples of continued offerings of successful programs despite ongoing financial concerns. Examples of success include the extension of services to country areas, educational lectures provided to the public, provision of voluntary aid, and its successful nutrition program. Evidence of the success of the organisation in peacetime continued long after WWII finished with continued examples of extension of existing programs and the creation of new programs over time.

##### **9.3.1.2 Independent Reviews and Reports**

The ARC undertook a process of review and restructure covering many facets of the organisation following the end of WWII. A review was undertaken of services including the

organisation's nutrition services, enabling the organisation to focus its efforts. The ARC worked with the government to synchronise its services and supplement and extend government offerings, ensuring its continued role in society. The ARC also undertook a review of its social welfare services and policies, and established a plan for coordinating its welfare policy with that of the relevant government department. Re-orientation of the welfare department was taken to reflect changing community conditions.

To clarify the organisation's role in peacetime the ARC undertook alteration to its rules to broaden the role of the organisation and reorder committees. The organisation defined a peacetime policy, which was advertised by its National Publicity Department. The ARC also advertised its steady progress in all areas including the area of nutrition education, which experienced an increase in interest, and in the area of first aid education which became very popular in light of OH&S regulatory changes that followed.

#### *9.3.1.3 Continued Support of Constituents*

The organisation provided evidence of support and cooperation with a range of constituents, in particular those with existing legitimacy. Co-operation and support of legitimate members of society were frequently provided such as the visit of Lord and Lady Louis Mountbatten in 1946. The ARC was able to build cooperative agreements and collaborations with external parties to assist the organisation ensure continued existence. Examples of external cooperation after WWI were outlined which largely involved working with the Repatriation Commission, and other parties such as the Commonwealth Employment service, Ministry of Post War Construction, National Advisory Welfare Committee, and the Council of Social Agencies, plus the American Red Cross.

The organisation explained its cooperation with the Education Department and the Repatriation commission, and other bodies such as Canteen's Trust Fund. The organisation also provided examples of cooperation with organisations such as St John Ambulance Association, and the Girl Guides. Another example of cooperation is with the health department's permission from health departments to visit schools, and support from organisations such as the nursing association.

Despite potential crisis with repeated deficits, the organisation survived through the difficult period following the end of WWII to return to surplus. Examples of successful review and report and subsequent restructure provide evidence that the organisation was successful in managing this legitimacy event.

### **9.3.2 Ensuring Image**

The ARC utilised a range of communication based and structural and procedural based legitimating techniques to manage its legitimate image.

#### **9.3.2.1 Independent Reviews and Reports**

The ARC undertook various reviews and change after WWII to demonstrate its long term viability and ensure it had an image of necessary and productive member of society. This process of review and restructure has continued over time. A new Committee was created to aid the organisation move forward in its role as a voluntary organisation in 1963. The organisation underwent various further changes over time initiating significant changes in structure when the Council adopted a new set of rules in 1968. These change aimed to streamline the policy making processes and updated the whole organisation of the Society.

Significant change in the rules of the organisation were instituted relating to the role and composition of the National Council, allow it to have a general coordinating and supervisory responsibility over the Society's activities, as well as its permanent responsibility for policy making. It was hoped that these changes would result in an increased awareness of the needs of the Australian community which Red Cross could fill, and increased efficiency throughout the organisation. The proposed changes in structure were implemented with the introduction of a smaller council more representative of the working membership of the society with new responsibilities.

In 1972 a major review was undertaken of the Red Cross both internationally and in Australia and the Tansley report was prepared to demonstrate the need for the ARC in peace time. The report identified the priority of the organisation was emergency help, and community services of health and welfare. This report made various recommendations for structural and procedural needs of the organisation and some issues that had been experienced to date. The report identified a need for a national plan of operation and observed weaknesses in Programmes and Activities. The reports argued that the organisation needed to fill a gap in the community and it would need to be flexible. The report also highlighted the need for accountability.

The ARC underwent further financial and organisational review and changes in structure. The organisation provided examples of this such as the creation, investigation and endorsement of proposals by the Governance Working Group for changing governance arrangements. The ARC made recommendations for changes to its Charter and Rules in 2004.

The ARC also undertook a Due Diligence Review requiring management to provide assurance on regulatory compliance and operational practice in areas of planning, information systems, finance, human resources, legal insurance and physical environment. The comprehensive report produced from this review of programs was used to prepare the subsequent corrective action program. The organisation undertook actions to safeguard its physical and intellectual capital through regular timely reporting on a comprehensive set of risk management issues.

The ARC undertook the job of consulting a range of stakeholders, interviewing hundreds of staff, volunteers, donors, beneficiaries and members to identify the organisations new. The ARC used assertive statements to describe its new structure and focus, and to highlight that it was essential that all arms of ARC see themselves as active stakeholders pursuing common goal. The ARC identified a new clear direction that would ensure it was better placed to help the most vulnerable members of society. The organisation identified that the Board endorsed a blueprint for an outwardly looking, entrepreneurial organisation committed to making investment in renewal of services to meet needs of most disadvantaged building on history an expertise of organisation.

The 21<sup>st</sup> Century brought with it much change within the ARC. The organisation started developing regular Strategy documents with the creation of Strategy 2005 and Strategy 2010. The organisation identified its goals in the Strategy 2010 as being to champion humanitarian values, and assist and empower vulnerable people while operating as a unified national unit. The ARC described the changes as the biggest changes in the organisations 90 year history to that point. To identify the need in the community the organisation undertook a visioning process which included extensive research and consultation and much discussion with staff our members, volunteers and community partners. The consultative process also helped the ARC develop Strategy 2010 and identify its strategic directions for the following 15 years.

The reviews resulted in the development of Australian Red Cross Governance policy in 2004/2005 and many changes including a change in the role of council and board to move its meeting to be more like meeting of shareholders. In addition to the new look council, procedural changes instituted that changes in the positions on the council and board would occur every two years, and the addition of extra board members, and a new CFO. Also new policies on budgets and strategic plans were now to be formed on a national basis with the introduction of national level budgeting.



A new audit and risk management committee was created and internal audit introduced to report to new Audit and Risk Management Committee. Internal audit was a focus with develop of an internal Audit Charter to include the standards, relationship and other internal audit arrangement application to the Australian Red Cross environment. Audit & Risk Management Committee was charged with the job of developing the internal Audit Charter of standards and ensuring the organisation met international and industry obligations.

Management structure also underwent changes with a new senior management regime including the appointment of new CEO, and a senior management team. New committees were established to help incorporate the governance changes including a National Asset Strategy Committee, Audit and Risk management Committee, Governance Implementation Committee, and Divisional Model Rules Working Group.

#### ***9.3.2.2 Political and Media assessment***

The ARC demonstrated compliance with politically induced changes and an ever changing reporting and regulatory environment. As community demands on charitable organisations to be transparent and accountable increased, the ARC demonstrated it was a worthy recipient of funding from both the government and the public by becoming a member of the newly formed Australian Council for International Development (ACFID). The organisation sought opinions and partnerships with the public through the development of committees involving members and volunteers. The ARC underwent accreditation of its training programs using the Australian Quality Training Framework to undertake a FHS course review.

Although the ARC moved to a more corporate style management structure with paid employees in line with changes in the market, the organisation still relies on continued support from the public. The organisation acknowledged the support of volunteers, donors and staff regularly. It can be argued that if the ARC had not been successful changing over time and maintaining an image of a legitimate member of society that support from constituents would have diminished over time (Sutton et al, 2008). Thus evidence indicates that organisation successfully managed its and role in society over the extended time period studied and that real change in structure and procedures, with communication of these changes, was instrumental to the organisation's success.

#### ***9.3.2.3 Continued Support of Constituents***

To keep up with ever changing society the organisation managed its legitimacy by obtaining external cooperation endorsement whenever possible. The organisation worked extensively to

locate friendly audiences using tools such as surveys and marketing research, recruited friendly co-optees, partners and volunteers where necessary, and consulted professionals for opinions. The ARC demonstrated when it conformed to acceptable legitimate models adopting standards and formalising its operations-policies, and seeking certification in the way of professional membership and qualifications such as meeting AusAID and ACFID standards and membership requirements.

The organisation worked with a variety of cooperatives over the time period studied to remain relevant. It held discussions with State and Territories to develop emergency plans and identify the way forward for its emergency services. The organisation worked with and received funding from AusAID, and frequently providing evidence of successful overseas programs it ran with changes to these programs supported with photographs and statistics.

### **9.3.3 Youth**

The ARC frequently highlighted the need for youth involvement to ensure continuation of the Red Cross, identifying a gap between Junior Red Cross (JRC) and adult units. The organisation contended that youth were the way forward and for the organisation to be successful in the long term it would need to ensure youth were incorporated into every aspect of the society.

#### ***9.3.3.1 Self-assessment and Evidence of Success***

The ARC provided evidence of success of the JRC including increases in JRC membership, successful youth programs, and increasing number of older youth groups and programs. Progress in addressing issues of engaging youth was highlighted along with contributions of youth, and successful funding of youth and education services. JRC programs successfully increased the level of youth engagement and participation in the Society, and increased junior membership as well as creating a greater awareness by senior section of the capabilities and role of the younger sets.

#### ***9.3.3.2 Independent Reviews and Reports***

The ARC undertook a study into the scope for youth involvement in Red Cross. Evidence of the successful endorsement of programs and a new policy on youth was provided. A Youth Grants Panel was formed to enhance youth participation opportunities. A comprehensive review of National Youth programs was also undertaken to identify the most effective methods and structure to engage young people and a youth advisory committees were formed.

#### ***9.3.3.3 Continued Support of Constituents***

The organisation identified evidence of cooperation between the JRC and other parties such as departments of the Red Cross and the Education Department. After experiencing a decline in youth participation numbers in the 1970s the organisation undertook review and restructure of programs which have allowed continued support of youth and popularity of its youth programs. The organisation identified a need to incorporate youth into the organisation and subsequent increases in the number of youth services and levels of involvements provided evidence of success of management of this legitimacy event.

#### ***9.3.4 Maintaining Support***

A recurring topic observed in the media articles and annual reports was the need for continued support from the public. Maintaining support became an increasing challenge for the organisation and other charitable organisations, with economic crisis and increased number of organisations relying on the public for resources. This legitimacy event has three elements, keeping up with increasing demand, maintaining financial support and maintaining and managing volunteers, staff and member support.

##### ***9.3.4.1 Increasing Demand***

The issue of increasing demand across services continued on both an international and national level but the organisation successfully kept up with demand without having to cut programs in most instances. This continuation of services occurred despite many times of difficulty resulting from the combination of increasing demand, combined with decreasing financial support available from the public, in difficult economic climates and competing needs for the donor dollar.

##### ***9.3.4.1.1 Self-assessment and Evidence of Success***

The ARC demonstrated success providing a range of examples of meeting increasing demand, including the provision of accounting evidence and statistics. The organisation highlighted its success meeting the needs of an increasing number of people with varying needs resulting at least in part from an aging population in Australia. Evidence of successful programs was provided such as First aid training, OH&S, overseas assistance, and beauty therapy services. Evidence of success in the form of personal stories of those reunited through the tracing services increased and those helped through a variety of other programs including the SAM and breakfast programs were provided.

#### ***9.3.4.1.2 Independent Review and Report***

Review and restructure discussed above would have also contributed to the organisations ability to keep up with demand for services across difficult times. The organisation utilised many cooperative arrangements and endorsements in order to meet increasing demand. The ARC regularly thanked a range of people for assistance meeting increasing demands, providing evidence that they were able to secure continued support of a variety of constituents, including corporate contributions and volunteers, sponsors, government funding, Channel 7 Network support and both the public and the government.

#### ***9.3.4.2 Financial Support***

The ARC experienced ongoing pressure on its finances, and the at times a dire need to maintain sufficient financial support to ensure its continued existence. The sources examined provided much discussion and advertisement of the need for funds to educate the public on the role of the organisation and the necessity to raise funds to maintain its role.

#### ***9.3.4.2.1 Self-assessment and Evidence of Success***

The ARC provided many explanations of how they dealt with ongoing financial concerns and successful management of this critical issue. The ARC always included financial statements as part of the annual report, however in more recent years these have been offered as a separate document. The organisation increasingly provided evidence of success of including accounting evidence and statistics of donors and government support, and the successful management of programs despite ongoing financial constraints. Over time the increased use of visual evidence with table of statistics and pie charts was observed. The organisations provided many examples of successful fundraising activities, noting increased income from government funding, increased donations, increases in receipts, stable results, higher returns from investments, and increased amounts received from legacies and times of surplus.

#### ***9.3.4.2.2 Independent Review and Report***

The organisation consolidated and modified structure in order to reduce costs and create efficiencies. Various efforts to reduce costs were made following the end of the WWII in particular, such as reducing the staff in its National Publicity Department. A review of the cost of services was undertaken to facilitate reductions in costs and increased efficiency. In the 2000s, strategy and corporate governance became an increasing priority, with Strategy 2005 and Strategy 2010 introduced, with focus on better management, modernising organisational structure, and implementation of strategic changes over time.

#### ***9.3.4.2.3 Continued Support of Constituents***

For the ARC to survive financially it became increasingly important for the organisation to build co-operative relationships and seek endorsements and support from all sectors of the community. Example of cooperation with outside bodies was provided including government departments and corporate supporters such as Woolworths, Safeway and consultants such as Goodman Fielder. The organisation also developed and maintained national partnerships with the corporate sector.

The ARC frequently acknowledged and provided evidence of continued support of financial sponsors and donors. The organisation regularly thanked a range of people and bodies including corporate contributors, the government, and the general public and members for contributions of time and money, frequently listing honorary life members. The ARC also acknowledged legacies but noted that this form of income would never be sufficient to support the organisation. As corporate and media support became increasingly important to the organisation in the 1970s the ARC started to regularly acknowledge supporters such as businesses and foundations with corporate contributions acknowledged in each annual report frequently containing the corporate logo of contributors at the end of the annual reports and information on their contributions within the report.

To ensure the ARC could maintain support from the community and thus financial viability and continuation of services, the organisation identified that it would need to meet world best standards. As financial pressure continued to confront the ARC over time it was also challenged by the need to maintain ongoing support from volunteers and members and maintain efficient and effective staff in changing times utilising a modern view to staffing and fundraising and the use of corporate collaboration and sponsorship to continue its work. The fact that the society has survived repeated instances of deficits to remain a strong and viable organisation provides evidence of its successful management of this legitimacy event.

#### ***9.3.4.3 Volunteer Support Staff and Members***

##### ***9.3.4.3.1 Self-assessment and Evidence of Success***

The ARC provided evidence of the success of the volunteers, members and staff in providing support and services to ensure the continuation of the organisation. Evidence was provided of improvements in the organisation's effort to recruit and train more volunteers to assist with routine services and concentrate on improvements in the organisation, resulting in record appeal results and changing demography with increased junior membership. The organisation

celebrated anniversary's such as 100 years of service in 2014 and achievements such as sending delegates to 100 missions across 20 countries were highlighted as providing evidence the organisation was moving forward despite declining membership numbers.

The ARC provided evidence of the success of the volunteers, members and staff in providing support and services to ensure the continuation of the organisation. Evidence was provided of improvements in the organisation's effort to recruit and train more volunteers to assist with routine services and concentrate on improvements in the organisation, resulting in record appeal results. Evidence was also provided of increased services with a changing demography and increased junior membership. Evidence of the quality and success of the organisations delegates and volunteers was also provided.

#### ***9.3.4.3.2 Continued Support of Constituents***

Maintaining volunteer and member support, along with ensuring the ARC maintained sufficient numbers of well-trained staff particularly following the end of WWII, caused ongoing concerns for the organisation. The survival of the ARC has relied heavily upon continued support from the community through its volunteers and members, but as the organisation evolved and took on more paid staff members it also identified a need to manage its staff well. Although the mixture of support changed over time, the presence of continued support from volunteers, donors and members with the addition of government and corporate funding and sponsorship, provides evidence of successful management of this legitimacy challenge.

#### ***9.3.5 Fundamental Principles***

To ensure support, the ARC needed to ensure its principles fit within society's view of what is acceptable, and that its actions are consistent with its principles. Ensuring the organisations actions are consistent with its principles is a legitimacy maintenance issue for the ARC relating to the core notion of legitimacy management of matching the organisation values with society's'.

##### ***9.3.5.1 Self-assessment and Evidence of Success***

The organisation did not so much focus on providing evidence of success of its principals, but highlighted the importance of these principles and their alignment with society's view to the survival of the organisation. The discussion around fundamental principles noted the importance of keeping up with changes in society. The organisation did highlight the successful role of the publicity department in advertising the principles of the organisation

and reinforcing their importance. Evidence of success in protecting the society's image and ensuring alignment with its principles was provided.

#### ***9.3.5.2 Independent Reviews and Reports***

The organisation discussed the role of review and structural changes in relation to its principals, identifying the need to update and improve its processes and move forward in the new era. To do this the organisation was identified as needing to restate its mission and objectives in the 21st Century to ensure its survival, undertaking a strategic workshop determining the need for fundamental change. The ARC also spoke assertively of the need to ensure it had proper policies and procedures and strategy in place that was aligned with its principles. Some evidence success of protecting the society's image and ensuring alignment with its principles was provided. The ARC highlighted its work toward the goals that bring together its activities with the fundamental principles.

#### ***9.3.6 IHL Management***

IHL is linked to the core beliefs and function of the ARC, which is based on the protection of human rights during war and other time of suffering. The organisation identified its role in IHL management as involving IHL education and dissemination, and oversight and protection of IHL.

##### ***9.3.6.1 Self-assessment and Evidence of Success***

The ARC provided many examples of successful dissemination of IHL materials and education in school and in the public on issues of IHL. The organisation also highlighted its role in the guardianship of IHL and its role in successful ratification of additional protocols to the Geneva conventions by the Australian government through a proactive and sustained program. Evidence of successful management of IHL responsibilities and achievements was provided including publications and teaching materials, attracting the interest of academics in IHL.

##### ***9.3.6.2 Continued Support of Constituents***

Many instances of cooperation with the government and particular politicians on IHL advancement and ratification of protocols were provided. Other examples of cooperation include work with a representative from the Commonwealth department Attorney General and Foreign Affairs and Trade and Academics and Professors. The ARC identified its IHL achievements as being many, including major partnerships with legal firms bringing with it the benefits of advice, and inquiry and IHL.

The shared role of ARC and Australian government of IHL was frequently highlighted. The organisation took steps to foster this relationship, for example it moved its meeting of the National IHL committee to Canberra to assist with engagement with relevant Government Departments including Foreign Affairs and AusAID. Further evidence of successful cooperation included working with University of Melbourne on IHL development. The ARC placed great emphasis on the importance of its role in IHL and provided evidence that it very successfully managed this role.

## **9.4 Theme 2 – Indicators of Success**

Theme 2 relates to direct criticism of the ARC and general criticisms of the charitable organisations. Increasing criticism of charitable funds was observed in the media articles and included criticisms of specific charitable organisations and the percentage of funds used for administration purposes.

### **9.4.1 General Criticisms**

The first part of the legitimacy event related to the organisations management of threats to charitable organisations in general. This did not involve direct criticisms of the organisation but created a difficult organisation for the ARC to work in. The ARC did not directly address the general criticism of charitable organisations in its environment; instead it highlighted its own achievements.

#### **9.4.1.1 Self-assessment and Evidence of Success**

The organisation provided evidence of success, including maintaining and building up the momentum of strategic change, re-positioning the organisation in light of events of the new millennium, and efforts to reduce risk and increase accountability. Evidence of commitment by Australian Red Cross to genuine transparency and accountability and good governance were provided.

#### **9.4.1.2 Independent Reviews and Reports**

The organisation acted to ensure it had good governance structures in place, creating a Strategic Change Steering committee towards the end of the 1990s, following a continuous period of criticisms of accountability of charitable organisations, and updated the Society's Rules. In addition the ARC aligned itself with the legitimate structure of the ACFID and demonstrated it was meeting its international and Industry obligations by alignment of Australian Council for International Development (ACFID). The ARC made few comments on these concerns, but did work strategically over time to ensure it had structures in place to demonstrate the organisation efficiently used its resources, and that it was accountable and



transparent. The ARC did include some assertive comments and explanations on accountability and transparency in its annual reports. Substantive action was considered very important to survival by the ARC and real change was noted with emphasis of review and restructure of services and the introduction of good corporate governance strategies.

#### **9.4.2 Criticism of Use of Funds - Specific Events**

The second component of this legitimacy event related to direct threats to the legitimacy of the organisation with criticisms in the media of its use of funds from the Bali bombings, the Asian Tsunami and the Victorian Bush fires.

##### **9.4.2.1 Self-assessment and Evidence of Success**

The organisation responded very strongly to the criticisms over the Bali bombings (Oct, 2002) dedicating a significant portion of its 2003 and some of its 2004 annual reports to educating the reader on the criticisms faced by the organisation and its technique. Many explanations about this topic were provided and frequent emotive discussion with many assertive statements. Evidence of the success of the program was provided along with acknowledgements of supporters.

The organisation also faced criticisms over its use of the Asian Tsunami fund (Dec 2004). The difference with this situation was that the criticism was not focused on just the Red Cross but covered several aid agencies. Assertive statements were observed in relation to the Asian Tsunami fund and emotive statements and explanations. Evidence of cooperation and endorsement were also provided. The ARC discussed the Tsunami and the issue of staying a legitimate provider of services in Australia, highlighting its alignment with the newly formed legitimate structure, ACFID. Assertive statements were used to declare the ARC was working in cooperation with other major aid agencies, who were also members of ACFID, in relation to the Asian Tsunami.

The ARC provided no discussion of the criticisms faced by the organisation over its use of the Victorian bush fire fund (Jan 2009) but dedicated space in the following annual report to explaining the distribution of funds and increased its use of personal stories and pictures. The smaller one off criticisms observed in the media articles were not discussed at all or little by the organisation. When the next major criticism arose, the organisation barely reacted; it simply largely referred constituents to its registration with ACFID, reinforcing its legitimacy with legitimacy from this organisation. The ARC also highlighted its compliance procedures and corporate governance practices. It is contended that the organisation then felt no need to

even respond when the third crisis appeared as it had reinforced its structure and thus legitimacy following the prior incidences.

#### ***9.4.2.2 Independent Reviews and Reports***

Importantly though the organisation took immediate and definite action following the Bali appeal fund criticisms. The ARC undertook an independent review of the appeal fund. The report recommended establishment of a risk assessment methodology including a rigorous communications management process for all appeals and activities, the continuation of input from victims in developing guidelines for assistance for the Fund and future appeals, and continued discussion with government to amend privacy laws in emergency situations and on how multi-agency responses could improve to ensure that victims understood which agency would support their needs and how they could best access such assistance

The ARC immediately set in progress a process to review and re-establish strategies, policies and procedures to police and monitor its actions, to ensure the goals of the project and the organisation as a whole were met. The independent audit of its process and administration of the Bali Appeal fund determined that although its policies were solid, some improvements could be implemented for future appeals

#### ***9.4.2.3 Continued Support of Constituents***

The criticisms of the organisation's use of the Bali bombing funds in the media resulted in diminished donations at the next major fundraising appeal and thus had the potential, if not handled well to impact on the organisation into the future. The ARC however acted swiftly by implementing structures and processes of review and governance, which conceivably provided some protection from further criticisms. The success of following major appeals and continued support of corporate sponsors provided evidence that in the long term the ARC managed this legitimacy event well.

### **9.5 Theme 3 – BTS – Indicators of Success**

The BTS was a source of constant legitimacy concern for the ARC with difficulty keeping up with increasing demand for blood products with ongoing issues with the safety of these products and increasing costs of running the service.

#### **9.5.1 Increasing Demand for Blood Services**

##### ***9.5.1.1 Self-assessment and Evidence of Success***

The ARC provided evidence of success of the BTS in keeping up with demand such as the introduction of new systems and processes to help meet demand, and improved methods to

increase supplies of blood products, and use of blood products such as plasma input. Evidence of successful management of blood products to keep up with demand included details of the high portion of plasma now frozen and sent for processing, targets reached in order to meet needs of the Australian public.

Details of improvement in donor numbers were frequently provided. Increases in donations were observed, despite the organisation implementing donor deferral policies on several occasions to protect blood recipients from disease. The organisation successfully undertook large recruitment drives with increasing media coverage, and used personal stories highlighting the need for blood donations. Evidence of success was increasingly provided in the way of emotive profiles including personal stories of blood related success and statistics.

#### ***9.5.1.2 Independent Reviews and Reports***

The blood bank constantly looked for ways to improve the use of its blood supplies setting up a technical sub-committee to examine the possibility of standardising equipment recommending formulation of Rules for Nomenclature of Human Genes and Collaboration between the Society and the Commonwealth Serum Laboratories. The BTS highlighted focus on the importance of research, and noted successful research and developments. As discussed previously, the annual reports frequently contained acknowledgment of various parties and regularly acknowledged donors and the government in relation to the provision and funding of blood services.

The organisation retained control of the blood services and kept up with increasing demand for blood products through improved medical procedures despite widened use of blood products, demonstrating its success in managing this legitimacy issues.

#### **9.5.2 Safety of Blood Products**

##### ***9.2.2.1 Self-assessment and Evidence of Success***

The ARC provided external evidence of success of managing safety of blood products. Evidence of the success of the blood services as a whole was provided such a meetings of National BT Committee where recommendations were made of reorganisation of the Committee. The ARC obtained successful research grants from the National Health and Medical research council, and highlighted the registration of Society's laboratories with NHMRC labs in some states recognised as approved research institutions.

##### ***9.5.2.2 Independent Reviews and Reports***

Several reviews of policy and procedures with reports were undertaken of the BTS in relation

to the safety of blood products. Procedures for blood testing of diseases such as Hepatitis testing were introduced. The annual reports provide continued updates on advances and projects such as Hepatitis testing, RH project clinical trial, ABO blood grouping sera project, Anti-Tetanus immunoglobulin, and discontinuance of the use of horse serum. The BTS was constantly looking for ways to improve its service through research and seminars such as its Action Workshop on responses of low temperature storage of red cells Hep B antibody project.

The organisation undertook research frequently and updated standards for transfusion training programmes were developed for non-technical personnel, to improve processes. In response to the ongoing issues the Government undertook a review of the BTS in Australia. The structure of the blood service underwent a major change, and challenging times for the new national body were experienced. The organisation highlighted the overall success of the changes.

Following major review and restructure the BTS not only maintained control of the blood services but also received acknowledgement of its successfully handling of blood contamination issues when the service became 100% funded by the government.

#### ***9.5.2.3 Continued Support of Constituents***

The ARC provided many examples of continuing support of donors with increasing use of photographs of donors and acknowledgement of milestones for continuous donors. Cooperation with the government, particularly in relation to funding, was frequently acknowledged. The organisation also provided evidence of successful management of claims against the ARC for blood contamination and settlement of some claims with government support in the 1990. The ARC more recently made arrangements with governments of funds for protection from claims from transfusion recipients with uniform national indemnity. The management of these claims and the minimisation of the impact on the organisation of these challenges that had the potential to cripple the organisation, provided evidence of its successful management of this legitimacy event.

#### ***9.5.3 Rising Costs***

The BTS experience ongoing issues dealing with the rising costs of the services. Financial assistance was initially promised by the state governments in some divisions. The organisation looked for ways to reduce costs and be more efficient. Despite increasing running costs, the BTS provided evidence of its growth in all divisions. Evidence was

provided of successful government funding which increased to 95% in 1976 and in 2007 when a new blood agreement was reached with the government to increased funding to 100%.

#### ***9.5.3.1 Independent Reviews and Reports***

The organisation made many structural procedural changes in order to ensure survival of the blood services and enable it to maintain control of the services without bearing the costs of the service. It established strategies, policies and procedures and created policies to police and monitor actions and outcomes, providing evidence throughout of the success of the changes.

#### ***9.5.3.2 Continued Support of Constituents***

The BTS created successful cooperative arrangements with other parties such as liaison with Commonwealth Serum laboratories, and work with Australian manufacturers to produce disposable plastic bag for blood collection, and collaboration with the government on group training courses in blood transfusion. Endorsement of the government came in financial form, but also prominent members supporting the service. An example of this was a photo of the prime minister giving blood in 1998. Despite increasing running costs, the blood services have grown considerably in all divisions providing evidence of the successful management of this legitimacy event.

### **9.6 Discussion and Conclusions**

The ARC has faced many legitimacy challenges over the time period examined but it has survived where other charitable organisations have failed. Indicators of success relating to role of the ARC in peacetime and into the future were predominantly focused around self-assessment and continued provision of examples of its success, along with independent review and subsequent restructure to ensure ongoing support of constituents (Sutton, Corderey and Baskerville, 2007). The role of review and restructure has been fundamental to the survival of the organisation. The ARC identified immediately following the end of WWII that the organisation would need to redefine itself, gain legitimacy in new areas, and ensure it remained relevant to society moving forward. Thus the organisation was constantly looking for ways to ensure its values and goals matched those of societies so it had a legitimate place in the world (Dowling and Pfeffer, 1975; Suchman, 1995).

The organisation faced legitimacy challenges that threatened its legitimacy such as criticism of the industry, and significant criticism directly at the ARC and its use of appeal funds. Indicators of success observed relating to these criticisms were self-assessment of success

and independent review and report. The ARC did not directly respond to general criticisms revolving in the world that it operated, but acknowledged its operating environment was difficult at times and instead worked to bolster its legitimacy through good structures and by demonstrating accountability and transparency (Guertsen, 2014). The organisation also reinforced its solid legitimacy foundation being a registered corporation by joining ACFID, demonstrating it continued to meet the requirements of this aid body tasked to oversee and provide credibility to aid agencies (Sarker, 2013).

The organisation also faced ongoing challenges in relation to the BTS which faced major challenges keeping up with ever increasing demand for blood products, with reduced blood supplies through contamination issues and rising costs. Furthermore the threat of litigation of recipients who were infected with diseases such as Hep C and AID from contaminated blood products could have potentially brought the not only the BTS, but the entire ARC to its knees. Indicators of success relating to the legitimacy challenge again focus on self-assessment and evidence of success, independent review and report and ensuring continues support of constituents.

The ARC were successful in maintaining control of the BTS and obtaining 100% funding from the government, who acknowledged the organisations success in managing such difficult issues. This is in contrast the Canadian Red Cross that was crippled by contamination related litigation, and lost control of the blood services with the Canadian Red Cross filing for bankruptcy in 1998 (Alden, 1998), demonstrating the devastating effects of lost legitimacy (Sutton, Corderey and Baskerville, 2007), which the ARC were able to successfully avoid.

## **Chapter 10: Conclusion**

### **10.1 Introduction**

This research presents a case study of organisational legitimacy management by the Australian Red Cross (ARC) over a 70 year period. A qualitative analysis of media articles and annual reports was undertaken to identify legitimacy events (challenges) faced by the ARC, observe legitimating techniques used by the organisation, and assess the success of the organisation's legitimacy management efforts. This chapter presents the key findings and contributions of the study, and limitations and suggestions for future research.

### **10.2 Addressing the Research Questions**

The three research questions addressed in this study aimed to answer the general proposition of whether the ARC used legitimating techniques to successfully manage its legitimacy. A conceptual framework developed from the review of the literature on organisational legitimacy facilitated the development of three research questions framed to address this overall proposition.

The first research question addressed the identification of legitimacy events (challenges) faced by the organisation over time. The content analysis of media articles and annual reports facilitated identification of legitimacy events affecting the organisation. Legitimacy events were classified into three themes being (1) The role of the ARC in peacetime and into the future, (2) Criticisms of charitable organisations in general, and specific criticisms of the ARC, and (3) Management of the Blood Transfusion Services (BTS). Theme 1 was further divided into sub-themes of the Role in peace time and Ensuring role in society – future of the ARC. Theme 2 was divided into sub-themes of general criticism of charitable organisations and three significant events that potentially threatened the legitimacy of the organisation directly. Theme 3 encompasses all legitimacy events faced by the organisation in relation to the BTS. Each legitimacy event was analysed in the context of the legitimacy scenarios of gain, maintain and repair legitimacy.

The second research question relates to identification of legitimating techniques utilised by the organisation to manage these legitimacy events. A range of communication based and structural and procedural legitimating techniques were observed, demonstrating that this organisation used a toolbox of legitimating techniques to gain, maintain and repair its legitimacy over time consistent with that proposed in prior literature (Suchman, 1995). These legitimating techniques are discussed briefly below in the context of key findings of the thesis.

The third research question relates to determination of the success of the organisation's legitimacy management through observation of indicators of successful legitimacy management. Indicators of success were examined for each theme of legitimacy events. Indicators of success relating to role of the ARC in peacetime and into the future were predominantly focused around self-assessment and continued provision of services, as well as the role of independent review and subsequent restructure to ensure ongoing support of constituents (Sutton, Corderoy and Baskerville, 2007). Indicators of success observed relating to these criticisms of the organisation were self-assessment of success and independent review and report. Indicators of success relating to management of the BTS focus on self-assessment and evidence of success, independent review and report and ensuring continued support of constituents (Sutton, Corderoy and Baskerville, 2007) and continued access to resources (Suchman, 1995). From examination of the research questions key findings were identified.

### **10.3 Key Findings of the Thesis**

Communication based and structural/procedural legitimating techniques have previously been identified in the literature as potentially useful for legitimacy management (Suchman, 1995). Consistent with and extending upon prior literature, a variety of legitimating techniques were observed in differing combinations over the legitimacy challenges observed, and over time. The interactive and ongoing nature of legitimacy management was also observed (Suchman, 1995).

#### **10.3.1 Use of Multiple Legitimacy Techniques**

A range of legitimacy techniques were utilised by the ARC to ensure continued access to resources and ensure the ongoing survival of the ARC over an extended period of time. Table 10.1 summarises legitimating techniques utilised by the ARC. Communication based techniques predominantly involved the use of assertive and emotive language to educate the reader, provision of explanations and evidence of success, and increasing use of visual techniques. Of particular note was the emphasis placed on the role of organisational review and restructure and collaboration with constituents. The study highlights the importance of the use of substantive legitimacy techniques in managing legitimacy, particularly by charitable organisations that are reliant on the public for resources.



**Table 10.1 Summary of Legitimizing Techniques**

| Legitimacy Theme              |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
|-------------------------------|---------------------|---------------------|----------------|-------------------------|-------------------------|----------------------|-----------------------|-------------------------|---------------|------------------------|-------------------------------|--------------------|-------------------|----------------------|
|                               | Communication Based |                     |                |                         |                         |                      |                       |                         |               |                        | Structural / Procedural Based |                    |                   |                      |
|                               | <i>Assertive</i>    | <i>Explanations</i> | <i>Emotive</i> | <i>Evidence success</i> | <i>Blame and denial</i> | <i>Justification</i> | <i>Matter of fact</i> | <i>Education/inform</i> | <i>Visual</i> | <i>Acknowledgement</i> | <i>Review</i>                 | <i>Restructure</i> | <i>Procedural</i> | <i>Collaboration</i> |
| <b>Theme One - Role</b>       |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| Role in peacetime             | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Image                         | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Youth                         | √                   | √                   |                | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Maintaining support           | √                   | √                   | √              | √                       |                         |                      |                       | √                       | √             | √                      | √                             | √                  | √                 | √                    |
| Principles                    | √                   | √                   | √              | √                       |                         |                      |                       | √                       | √             |                        | √                             |                    | √                 | √                    |
| IHL                           | √                   | √                   | √              | √                       |                         |                      |                       | √                       | √             |                        | √                             |                    |                   | √                    |
| <b>Theme Two - Criticisms</b> |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| General criticism             | √                   | √                   |                | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Specific criticism            |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| Bali                          | √                   | √                   | √              | √                       | √                       | √                    | √                     | √                       | √             |                        | √                             | √                  | √                 | √                    |
| Asian Tsunami                 | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        |                               |                    |                   | √                    |
| VIC bush fires                |                     |                     |                |                         |                         |                      |                       | √                       |               |                        |                               |                    |                   |                      |
| <b>Theme Three - BTS</b>      |                     |                     |                |                         |                         |                      |                       |                         |               |                        |                               |                    |                   |                      |
| Increasing demand             | √                   | √                   | √              | √                       |                         |                      |                       | √                       | √             | √                      | √                             | √                  | √                 | √                    |
| Blood cont.                   | √                   | √                   | √              | √                       |                         | √                    |                       | √                       |               |                        | √                             | √                  | √                 | √                    |
| Rising costs                  | √                   | √                   | √              | √                       |                         |                      |                       | √                       |               |                        | √                             | √                  | √                 | √                    |

The organisation adopted a range of communication and structural and procedural based legitimating techniques, demonstrating that it successfully managed its legitimacy setting through the use of a toolbox of legitimating techniques rather than the use of individual techniques and that legitimacy management was an interactive and ongoing process.

### 10.3.2 Legitimacy Management – an Interactive and Continuous Process

The process of legitimacy management undertaken by the ARC was interactive and cyclical in nature. The organisation constantly monitored its legitimacy setting, and acted in a proactive manner to manage potential and existing legitimacy gaps. The organisation then selected from a toolbox of communication based and structural and procedural based legitimating techniques to gain maintain or repair its legitimacy setting. The research

demonstrates that organisations, particularly charitable organisations, will need to continually assess their legitimacy setting and the alignment of their values with society's, and utilise both communication based and structural and procedural based legitimating techniques, to manage legitimacy over time.

The ARC was also observed as working to change its environment, particularly in relation to role of the ARC in society, IHL and the BTS. This confirms the notion that organisations may not only manage legitimacy strategically within society to ensure alignment of its views with those accepted by society, but it will also to manage and work to change society views and opinions. This research also confirms that legitimisation will involve an interactive and continuous process involving the utilisation of multiple types of legitimating techniques.

#### **10.4 Contributions of the Thesis**

This research observed legitimacy events occurring in the operating environment of the Australian Red Cross (ARC), and the multiple legitimating techniques used by the organisation to manage its legitimacy. This thesis confirms that organisations will work over time to manage different legitimacy scenarios in an ever changing legitimacy setting, using a toolbox of legitimating techniques of communications based and structural and procedural based legitimating techniques. This research highlights the importance of substantive change such as real change in policies, procedures and structure by charitable organisations in management of legitimacy, to ensure continued access to resources.

This research thus addresses limitations identified in prior literature that the full complexity or strength of legitimacy theory as a driver of organisational behaviour had not been captured (Hybels, 1995; Suchman 1995). Past literature has struggled to address these issues because of the research design and focus adopted, which largely revolved around examination of an individual legitimating technique and/or legitimacy events at a single point in time. The research incorporated a longitudinal case study of the ARC to facilitate examination of the organisation's use of multiple legitimating techniques over time.

Multiple data sources were used to tap into the richness of the story of organisational management (Glaser and Strauss, 1967) and allow different perspectives to be observed through examination of the data from different viewpoints or angles (Thomas, 2011). As discussed in Chapter 2, prior research on organisational legitimacy has predominantly studied single legitimacy events and the use of individual legitimating techniques utilising a single

data source. The research design utilised in the study allowed the expansion of the focus of the research and the extension of the body of knowledge on legitimacy management.

The results of this study extend the literature by demonstrating the use of toolbox of legitimating techniques for legitimacy management, and highlight the importance of the use of structural and procedural legitimacy techniques in addition to communication based techniques. Both communication based and structural/procedural legitimating techniques had previously been identified in the literature as potentially useful for legitimacy management (Suchman, 1995), with an array of possible legitimating techniques identified through examination of many individual papers on legitimacy management (Section 4.3.3. and Section 4.3.4), however until now they have not been examined together in this way.

The study of individual legitimating techniques and scenarios has not allowed consideration of the interactive and evolutionary nature of organisations and organisational legitimacy (Suchman, 1995). Past research can be argued as observing only a slice of the legitimacy cycle across organisations, and has not tested the notion of an ongoing legitimacy management cycle. This study also incorporates the notion of an ongoing legitimacy cycle with the organisation working over-time to manage multiple scenarios using multiple legitimating techniques (Suchman, 1995). This research acknowledges the interactive nature of the organisation and incorporates both strategic and institutional notions of legitimacy (Suchman, 1995), examining both substantive and symbolic legitimating techniques used both individually and in combination.

This research also highlights the importance of substantive change such as real change in policies, procedures and structure by charitable organisation in management of legitimacy in order to ensure continued access to resources. The use of communication based techniques without real action was not seen as sufficient by the organisation to ensure its survival. The organisation focused on structure, transparency and accountability and good governance to ensure its long-term survival and continued access to resources.

## **10.5 Limitations and Future Direction**

The research method used in this thesis is discussed in Chapter 4 along with details of the data collection and analysis. As discussed above a longitudinal case study of the ARC was used to allow an in-depth examination of organisational legitimacy from different angles (Thomas, 2011). This was considered important because prior research has largely focused individual incidences or legitimacy threats, and corresponding legitimating technique(s). The

literature had commonly studied organisations from specific industries under particular circumstances to observe whether disclosures have been used for legitimacy management purposes (Patten, 1992; Clarke and Gibson-Sweet, 1999; Cho and Patten, 2007). The ARC was chosen as a suitable case study because it is a large long running Australian charitable organisation for which legitimacy management was of particular concern with charitable organisations being vulnerable because they rely upon the support of the public with image and reputation suggested to strongly influence donor technique (Bennett and Gabriel, 2003). This design however does have limitations opening up possibilities for further research into the future.

This research assists expand our perceptions of legitimacy management, but the results are not necessarily generalisable to other organisations or organisational types. Further research could extend this examination to a set of charitable or NGO organisations and corporations to confirm they also use utilise a tool box of legitimating techniques, and confirm the importance of procedural and structural legitimating techniques to organisational survival.

In addition this study could not provide insight into the actual process of legitimating technique selection. Interviews were sought and ethics approval was obtained from the University of Tasmania's Ethics Committee for this purpose and the ARC initially allowed two pilot interviews. However, on request for further interviews at a higher level the organisation requested the researcher complete an ethics application through the ARC, which was subsequently denied on the basis on reputational risk. This leaves open an avenue for future research to explore other charitable organisations through the use of similar case studies in conjunction with interviews to allow collection of the perspective of the organisation from within.

It needs to be noted that the coding method used in the thesis which was outlined in Chapter 4 was designed to be thorough and replicable, but qualitative analysis cannot be considered totally objective. The internal validity of this study was reinforced by the use of dual data sources to allow substantiation of information collected in the first stage of data collection, combined with the careful coding and identification of direct links between legitimating factors, techniques and the legitimacy setting (Hoyle et al., 2002). Further research is needed though to confirm and consolidate these findings.

Two data sources were examined in this study, and it is possible that examination of other data sources could expand upon the results found here. The first stage involved a content analysis of media articles to identify possible legitimacy events over the time period studied. The media analysis was also useful in identifying legitimacy factors and the ever changing legitimacy setting at points in time, and the identification of possible legitimacy events and legitimating techniques. The second stage involved a content analysis of annual reports prepared by the ARC for identification and confirmation of legitimacy events, and identification of legitimating techniques. The first stage of data collection allowed identification of the general legitimacy setting faced by the organisation over time, and the second stage provided confirmation and expansion of the data collected in stage one.

Examination of other data sources could further expand upon the results found here. For example media articles have been demonstrated as providing a useful source for study of organisational behaviour, with some use in the study of organisational legitimacy (Makela and Nasi, 2010). Media releases have also been found to provide insight into legitimacy management (Joutsenvirta, 2013; Patel and Xavier, 2005; Samkin and Schneider, 2010) along with website disclosures (Breton and Cote, 2006; Singh and Point, 2009). It would be interesting to expand the research to other data sources such as media releases and the use of websites to provide further clarification of the legitimacy management process.

## APPENDICES:

### Appendices A: Table 1 - CSR Based Organisational Legitimacy Research

#### CSR Communication (Disclosures) Based Legitimizing Techniques

| Author                            | Journal   | Research Question  | Method   | Findings  |
|-----------------------------------|---|--|--|---|
| Patten (1991)                     | Journal of Accounting and Public Policy         | Can CSR disclosures be explained by public pressure or firm profitability?   | Content analysis of US corporations annual report disclosures  | Social disclosures vary depend upon size and industry but not profit indicating these disclosures are related to public pressure and therefore used for legitimating purposes   |
| Tilt (1994)                       | Accounting, Auditing and Accountability Journal | Can pressure groups influence CSR disclosure policies?   | Content analysis of annual reports and other documents and questionnaire to pressure groups  | Found support for claims that the pressure groups potentially influence corporate social disclosure policies supporting legitimacy motives for these disclosures                |
| Adams, Hill and Roberts (1998)    | British Accounting Review                       | Which factors that influence CSR disclosures and can they be explained by legitimacy theory?                       | Content analysis of European corporation's annual reports  | Legitimacy theory can explain differences in CSR disclosures related to size and industry member however it could not explain differences across countries                      |
| Clarke and Gibson-Sweet (1999)    | Business Ethics                                 | What are the motives for voluntary CSR disclosures?  | Content analysis of UK annual report CSR disclosures   | Companies with presence in sectors with high public presence are likely to use their annual report CSR disclosures for legitimating purposes                                    |
| de Villiers and van Staden (2000) | Accounting, Organizations and Society           | Are CSR disclosures used for legitimating purposes?  | Content analysis of South African corporation's annual report CSR disclosures  | Concluded a reduction in environmental disclosures legitimating action.   |
| Hooghiemstra (2000)               | Journal of Business Ethics                      | Theoretical examination of CSR reporting to develop a communication based framework for study                      | Theoretical discussion and application to case study of Shell Royal Dutch case   | Propose communication theory as framework for studying CSR reporting, consistent with legitimating motives  |
| Wilmshurst and Frost (2000)       | Accounting, Auditing and Accountability Journal | Do links exist between the importance of factors on CSR disclosure decision making and actual reporting practices? | Content analysis of corporate annual report disclosures and questionnaire to CFOs  | Some significant relationships between the factors perceived as important by managers and actual environmental reporting practices providing some support for legitimacy theory |
| Milne and Patten (2002)           | Accounting, Auditing and Accountability Journal | What is the effect of environmental disclosures on investors in the chemical industry?                             | Experiment using questionnaires to practicing accountants  | Under some circumstances positive disclosures can restore or repair organisational legitimacy   |
| O'Donovan (2002)                  | Accounting, Auditing and Accountability Journal | To what extent are annual report environmental disclosures used to gain, maintain or repair legitimacy?            | Experimental interviews using senior personnel from three Australian firms providing legitimating choices and legitimacy scenarios | Legitimizing choices by management will vary if they need to gain, maintain or repair legitimacy  |
| O'Dwyer (2002)                    | Accounting, Auditing and Accountability Journal | What are management's perceptions of CSR disclosures and their usefulness?   | Interviews with senior managers of Irish corporations  | Although legitimacy does explain CSR disclosures it is not considered capable of achieving legitimacy goals   |
| Patten and Trompeter (2003)       | Journal of Accounting and Public Policy         | Does a relationships exist between environmental disclosures and accounting  | Technique in earnings management in industry to chemical leak at Indian plant.   | Relationship between pre challenge environmental disclosures and discretionary  |

|                                       |  |   |   |  |
|---------------------------------------|--|---|---|--|
|                                       |  | choices in a legitimacy context?  |   | accruals indicating environmental disclosures used to manage legitimacy and assist prechallenge political costs  |
| Prasad and Elmes (2005)               | Journal of Management Studies                            | Examine the use of discourse in the Environmental Management industry   | Critical discourse analysis of narratives   | Theoretical study on the use of discourse by in the environmental management industry in the context of legitimacy   |
| de Villiers and van Staden (2006)     | Accounting Organizations and Society                     | Are decreases in CSR used as a legitimating tool?   | Content analysis of South African corporate annual reports  | Identified disclosure trends were consistent with legitimacy theory indicating legitimising may involve changes in the volume and type (general vs. specific) of environmental disclosures |
| Higginson, Simmons and Warsame (2006) | Journal of Applied Accounting Research                   | Where CSR disclosures used by corporations that had also joined a coalition for legitimization?   | Content analysis of annual reports by the corporations in the Canadian Forestry industry  | Observed increased environmental disclosures by forestry firms that had joined a coalition suggesting annual report disclosures used for legitimating purposes                             |
| Ratanajongkol, Davey and Low (2006)   | Qualitative Research in Accounting & Management          | Examine the extent and nature of CSR reporting of Thai corporations   | Content analysis of Thai corporation's annual report CSR disclosures  | Trends in CSR identified and explained according to multiple theories including legitimacy theory  |
| Scherer and Palazzo (2006)            | Journal of Business Ethics                               | Theoretical discussion  | Corporate legitimacy and communication  | Propose a moral approach to legitimacy is indicated using a discursive reinterpretation to legitimacy and discussion of CSR  |
| Cho and Patten (2007)                 | Accounting Organisations and Society                     | Do differences in monetary and non-monetary non-litigation relation environmental disclosures vary across organisational types?                 | Content analysis of environmental disclosures in K10 reports for matched size groups examining relationship between these disclosures and environmental performance | Found differences in types and quantity of disclosures across industry groups supporting legitimacy theory   |
| Taylor and Shan (2007)                | Accounting, Accountability and Performance               | Test the usefulness of different theories in explaining corporate CSR disclosures   | Content analysis of Chinese corporation's annual report environmental disclosures   | Legitimacy theory wasn't found to be as useful in explaining Chinese environmental disclosures as stakeholder theory, government based reasons were speculated                             |
| Hui and Bowrey (2008)                 | The Australasian Accounting Business and Finance Journal | Are CSR disclosure choices of banks who have or have not adopted the Equator Principles used for legitimization?                                | Case study of three Hong Kong banks using publicly available information  | Adaption of the Equator Principles and the use of voluntary CSR disclosures is a legitimating tool   |
| Branco and Rodrigues (2008)           | British Accounting Review                                | What relationship exists between CSR disclosures and different proxies for public visibility from a legitimacy perspective?                     | Content analysis of CSR internet and annual report disclosures by Portuguese banks and public visibility using a size proxy of spatial competition index            | Internet and annual report disclosures were used for legitimating purposes and the new measures of visibility used should be explored further  |
| Islam and Deegan (2008)               | Accounting, Auditing and Accountability Journal          | How can CSR reporting by a corporation in a developing country be described and explained framed in a theoretical setting of legitimacy theory? | Case study – interviews and content analysis of annual report CSR disclosures by a garment export corporation in Bangladesh   | Social pressure influenced CSR disclosures, and these disclosures needed to be studied in the context of the government pressures felt by management to disclose                           |
| Murphy and Abeysekera (2008)          | Australasian Accounting Business and Finance Journal     | How are CSR disclosures by Indian Corporations in the context of legitimacy?  | Content analysis of CSR disclosures by Indian Software Corporations   | Concluded some CSR disclosures are used for legitimating purposes  |
| Reverte (2009)                        | Journal of Business Ethics                               | Do firms and industry characteristics and media exposure determine CSR disclosures in a legitimacy context?                                     | Collection of CSR ratings and data on firm characteristics such as size, ownership, international listing, media exposure and leverage                              | Media exposure, size and industry related to CSR disclosures suggesting legitimacy explains CSR disclosures practices  |
| Archeir, Crawford, Larringa and       | Accounting, Auditing and                                 | How is the discourse in CSR disclosures used  | Discourse analysis of annual reports and  | Narrative legitimization strategies used to  |

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|--|---|--|--|---|
| Husillos (2009)                                | Accountability Journal                                  | by Spanish Corporation for legitimating purposes?  | media reports for CSR disclosures of Spanish corporations  | legitimise new production process working to change the views of society  |
| Islam and Mathews (2009)                       | Asian Review of Accounting                              | Does a link existed between media attention and CSR disclosures?   | Content analysis of annual report social disclosures after legitimacy threat to the bank                                   | Particular social disclosures such as community poverty assistance increased after media coverage that posed a threat to the bank providing support for legitimacy theory                                   |
| Laine (2009)                                   | Accounting, Auditing and Accountability Journal         | How is the rhetoric of CSR disclosures used by Finish Corporations?  | Longitudinal annual report rhetoric analysis   | Rhetoric is used to respond to institutional pressures and to legitimate the corporation  |
| Cho and Robin (2010)                           | International Journal of Accounting Information Systems | Do internet disclosure choices differ depending upon environmental performance?  | Content analysis of internet disclosures and study of their design by US corporation                                       | Poor environmental performers provide more extensive disclosures both in content and presentation to legitimise the organisation  |
| Chung (2010)                                   | PhD   | Do CSR disclosures and other factors affect the legitimacy of corporations in the pharmaceutical industry?                         | Content analysis of adverts and survey to measure organisational legitimacy by corporations in the pharmaceutical industry | Confirmed a legitimacy gap existed, CSR activity, advocacy and self-regulation in communications influenced organisational legitimacy   |
| Dragomir (2010)                                | Journal of Accounting and Organisational Change         | Are environmental disclosures used for legitimating by European corporations?  | Content analysis of sustainability reports   | Environmental disclosures are used to work to preserve and repair legitimacy  |
| Islam and Deegan (2010)                        | Accounting and Business Research                        | Were CSR disclosures used by two large multinational clothing corporations under threat to repair their legitimacy?                | Content analysis of two large international organisations' CSR disclosures and media releases                              | Positive CSR disclosures were used in technique to negative media attention, providing general support for legitimacy theory  |
| Makela and Nasi (2010)                         | Accounting, Auditing and Accountability Journal         | How are CSR disclosures used for legitimization in the case of organisational downsizing?  | Case study of a Finnish paper mill - involving content analysis of media articles and corporate disclosures on downsizing  | Accounting information is used as a rhetoric legitimization tool in downsizing scenario. The different stakeholder's had very different perceptions of the situation and the corporations CSR.              |
| Tilling and Tilt (2010)                        | Accounting, Auditing and Accountability Journal         | How are CSR disclosures used for legitimation and how can the existing framework for examining legitimating scenarios be extended? | Case Study Rothmans – Content analysis of annual report CSR disclosures  | Supported legitimization motive for CSR disclosures and extended existing framework of legitimating scenarios   |
| Farook, Hassan and Lanis (2011)                | Accounting and Business Research                        | Does a model of determinants of CSR disclosures identified explain these disclosures?  | Content analysis of Islamic banks annual reports   | Examined relationship between the bank's CSR disclosures and legitimacy and political economy related variables   |
| Mahedeo, Oogarah-Hanuman and Soobaroyen (2011) | Accounting Forum  | How are CSR disclosures used to manage different types of legitimacy?  | Content analysis annual report CSR disclosures by Mauritius corporations   | Study use of CSR to manage particular types of moral and pragmatic legitimacy   |
| Cho, Freedman and Patten (2012)                | Accounting, Auditing and Accountability Journal         | What explanations exist for disclosure of environmental capital spending amounts?  | Content analysis of quantitative CSR disclosures by US corporations  | Observed environmental values were more likely to be disclosed by corporations with poor performance suggesting these disclosures are used as a strategic tool.   |
| Hrasky (2012)                                  | Accounting, Auditing and Accountability Journal         | How are carbon footprint disclosures used for legitimation?  | Content analysis of Australian Corporations annual reports   | Examined carbon footprint related disclosures observing carbon intensive sectors using moral legitimization strategies and substantive action and less intensive sectors rely more on symbolic disclosures. |
| Khan, Muttakin and Siddiqui (2013)             | Journal of Business Ethics                              | Examine the relationship between corporate governance and CSR disclosures  | Content analysis of CSR disclosures in Bangladeshi annual reports  | Observed negative association with factors such as managerial ownership and CSR disclosures and positive relationship with public ownership, foreign ownership, board independence and presence of audit    |



|                                     |   |  |   |   |
|-------------------------------------|---|--|---|---|
|                                     |   |  |   | committee.  |
| Kent and Zunker (2013)              | Accounting, Auditing and Accountability Journal | Study voluntary employee related CSR information in annual reports for legitimacy purposes in relation to media publicity                                  | Content analysis of Australian listed companies   | Both corporate governance mechanisms and higgler levels of adverse publicity were significantly associated with employee related disclosures. 98% reported positive employee news or no news though.  |
| Kuo and Chen (2013)                 | Management Decision                             | Investigate the relationship between environmental disclosures and legitimacy after introduction of the Kyoto Protocol                                     | Three stage least squares analysis of relationship between environmental news exposure and CSR reports for 208 listed Japanese firms                  | CSR reports can be used by firms in environmentally sensitive industries to significantly improve their legitimacy  |
| Ling and Sultana (2015)             | Social Responsibility Journal                   | Aim to provide empirical evidence on the significance of signal breaches from trading indicators in explaining CSR disclosures                             | Analysis of signal breaches compared to a voluntary environmental and social accounting disclosure index  | A positive relationship was observed between signal breaches and disclosures suggesting firms with volatile stock prices tend to provide greater CSR disclosures for legitimacy purposes  |
| Meng and Tam (2013)                 | Journal of Business Ethics                      | Study the effect of economic performance on environmental disclosures in relation to ownerships form   | Study of Chinese corporations disclosures using performance-impression theory and legitimacy theory in relation to ownership and mandatory regulation | The relationship between performance and environmental disclosures and ownership is complicated varies from voluntary to mandatory disclosure circumstances   |
| Miller and Michelson (2013)         | Journal of Business Ethics                      | Use legitimacy theory and morality policy show how one controversial industry sector and CSR   | Examine two state funded studies in Australia on gambling policy  | Speculated that the adoption and communication of CSR in electronic gambling will be contested by opponents of the industry.  |
| Young and Marais (2013)             | Labour & Industry                               | Explain reporting on employees   | Analysis of 60 Australian companies reporting on employees  | Companies report information on benefits to valued employees such as health and safety or career and report on anti-discrimination policies or business ethics to develop pragmatic legitimacy and improve moral legitimacy. They enhance cognitive legitimacy by reporting health and safety and business ethics and not industrial relation and responsible management of employees |
| Alakent and Ozer (2014)             | Journal of Strategy and Management              | To propose that firms with negative CSR records need to invest in political strategies to construct new legitimate standards in line with their strategies | Analysis of data from the Centre for Responsive Politics for 348 manufacturing firms using hierarchical ordinary least square regression analysis     | Firms with high CSR concerns invest more in corporate political strategies. Firms with higher visibility and slack invest more in these strategies if they are facing CSR concerns supporting legitimating motivations.   |
| Chan and Watson (2014)              | Journal of Business Ethics                      | Study the relationship between CSR and corporate governance and stakeholder relations  | Content analysis of 222 Australian listed companies annual report data in light of legitimacy and stakeholder theories                                | A positive relationship was observed between corporate governance ratings and quantity of CSR, size, profile and leverage   |
| Chelli, Richard and Durocher (2014) | Accounting, Auditing and Accountability Journal | Examine the reaction to new economic regulations in France requiring environmental disclosures by publicly listed companies                                | A quantitative and qualitative content analysis of French listed companies environmental disclosures  | Provides empirical evidence on the explanatory value of institutional legitimacy theory on environmental reporting  |
| Hahn and Lulfs (2014)               | Journal of Business Ethics                      | Study communication based legitimating strategies used by companies to report negative aspects of CSR performance  | Content analysis of GRI-orientated sustainability reports of US and German companies to identify symbolic and substantive legitimating strategies     | Identification of six narrative legitimating strategies in CSR disclosures aimed at changing stakeholder perceptions; marginalisation, abstraction, indicating facts, rationalisation, authorisation and corrective   |

|   |   |   |  |  |
|---|---|---|--|--|
|   |   |   |  | action. No significant difference between the two sample sets  |
| Huang, Pepper and Bowrey (2014)                             | Australasian Accounting Business and Finance Journal          | Examine the use of a Sustainability balanced scorecard in organisational legitimacy management  | Case study - content analysis of Westpac's sustainability reports  | A correlation between elements of the BSC and inputs of the organisation's sustainability reporting identification of practical social and environmental legitimating techniques   |
| Laivi and Oobik (2014)                                      | Baltic Journal of Management                                  | Study the effect of 2008 global financial crisis on the CSR disclosures of banks  | Content analysis and readability calculation of sample of banks disclosures  | Banks response to the legitimacy threat was linked to the its CSR reporting strategy being passive superficial, passive thorough, intermediate and active. Active strategy pursuers increase disclosure quantity and reduced readability suggesting legitimacy management efforts.     |
| Sulaiman, Abdullah and Fatima (2014)                        | International Journal of Economics, Management and Accounting | Examine the relationship between share ownership, profitability, firm size and leverage with environmental disclosures  | Content analysis of the annual reports 164 Malaysian companies using legitimacy theory, resources based view and information theory  | Observed a significant positive relationship between firm size and leverage and quality of environmental reporting supporting legitimacy theory. Support not found for resource base view and information cost theory.   |
| Thorne, Mahoney and Manetti (2014)                          | Accounting, Auditing and Accountability Journal               | Identify the motivation for companies production of stand-alone CSR reports   | Questionnaire survey of Canadian companies in the context of stakeholder theory, legitimacy theory and signaling theory  | Large companies produced standalone sustainability reports suggesting in technique to external scrutiny by stakeholders consistent with stakeholder theory and ancillary motivations are consistent with legitimacy and signaling theory.  |
| Del Mar Galvez-Rodriguez, Caba-Perez and Lopez-Godoy (2014) | Online Information Review                                     | Analyse drivers of proactive web disclosures of NGOs in Columbia for fostering legitimacy and responding to institutional pressures   | Analysis of websites of 196 NGOs from Columbia using and online transparency index and analysis  | Proactive disclosures of these organisations is low and financial information is the least disclosed. Factors of institutionalization, donations, community services, and dependence on voluntary work are positively related to aspects of online disclosures.                        |
| Farooque and Ahulu (2015)                                   | The Journal of Developing Areas                               | Consider stakeholder responses to corporate environmental reports   | Content analysis of 67 companies assured environmental reports across three countries and applies hierarchical regression modelling to examine effects of stakeholders, legitimacy, financial and demographic variables on reporting represented through preservation and responsibility | Return on asset and industry sector were predictive of initiative and responsibility and firm size and board structure were predictive of initiatives only. Diversification ownership, internal policy and other financial variables had not influence on any environmental components |
| Fatima, Abdullah and Sulaiman (2015)                        | Social Responsibility Journal                                 | Investigate the environmental disclosure quality of companies in environmentally sensitive industries in Malaysia in response to introduction of mandatory CSR requirements in annual reports in 2007 | Comparison of data index of disclosures of 46 disclosure items for 164 Malaysian companies for the period 2005 to 2009   | The quality of environmental disclosures improved with companies requiring more quantitative information providing some support for legitimacy and institutional theories.   |
| Seele and Lock (2015)                                       | Journal of Business Ethics                                    | Development of a toolbox of CSR communication   | Theoretical study to embed CSR communication within political CSR theory and extension with Habermasian communication theory in context of moral legitimacy.   | A typology of CSR communication tools is developed and supported with differentiation between instrumental and deliberative, and published and unpublished tools.  |

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| Cho, Michelon, Patten and Roberts (2015)       | Accounting, Auditing and Accountability Journal          | Aim to identify any changes in CSR reporting over time and test whether legitimacy factors explain these disclosures  | Content analysis of CSR disclosures of US companies comparing data for 1977 and 2010  | Breadth of CSR disclosures has increased significantly and the relationship between legitimacy factors and CSR disclosures does not differ across the two time periods and that they are largely driven by legitimating motives                               |
| Setia, Abhayawansa, Joshi, Huynh and Vu (2015) | Sustainability, Accounting Management and Policy Journal | Identify whether integrated reports prepared in accordance with south African cod of corporate governance regulation and whether legitimacy theory explain disclosure technique | Content analysis of annual reports of South African listed companies  | Introduction of integrated reporting in South Africa has increased CSR disclosures but the increase is significantly greater than increase in other capitals suggesting legitimating motivations for the disclosures.   |
| Zahller, Arnold and Roberts (2015)             | Techniqueal Research in Accounting                       | Test the theory of social resilience that CSR disclosures promotes a perception of organisational legitimacy creating social resilience   | Collected data from 100 experienced nonprofessional investors   | Determined that when CSR disclosures are higher quality investors perceive organisational legitimacy to be higher and higher levels of organisational legitimacy are associated with greater resilience   |
| Belal and Owen 2015                            | Accounting, Auditing and Accountability Journal          | Examine underlying drivers for the development and discontinuation of stand-alone CSR reporting   | Case study using in-depth interviews of Bangladesh company supplemented by examination of annual report, stand-alone social reports and newspaper articles                | CSR disclosures were introduced in light of criticism of tobacco industry and later halted when criticism of CSR activities. Uses legitimacy theory to explain the discontinuation.   |
| Liesen, Hoepner, Patten and Figge (2015)       | Accounting, Auditing and Accountability Journal          | Examine incomplete Greenhouse gas emission disclosures and external stakeholder pressure influences   | Examination of incomplete and complete voluntary Greenhouse gas emission disclosures of 431 European companies from 2005 to 2009 and logistic regression analysis applied | Only 15% of companies disclosing Greenhouse gas disclosures were complete and that stakeholder pressure determines existence of these disclosures but not completeness. The finding were considered consistent with stakeholder theory and legitimacy theory. |
| Dumay, Frost and Beck (2015)                   | Journal of Accounting and Organisational Change          | Present a case study the way two organisations deal with disclosing non-financial information such as CSR information   | Study of non-financial disclosures by two Australian companies using Suchman's legitimacy perspectives  | Presentation of a model of legitimacy influenced CSR disclosures  |

## Appendices A: Table 2 - CSR Based Organisational Legitimacy Research

### CSR Communication (Disclosure) Based Legitimizing Techniques in Response to Direct Threats to Legitimacy

| Author                              | Journal   | Research Question   | Method  | Findings   |
|-------------------------------------|---|---|---|--|
| Guthrie and Parker (1989)           | Accounting and Business Research                | What is the explanatory power of legitimacy theory over CSR disclosures?  | Content analysis of CSR disclosures in BHP annual reports; longitudinal   | Could not confirm legitimacy as a primary motivation for CSR disclosures   |
| Patten (1992)                       | Accounting, Organizations and Society           | Did corporations increased CSR disclosures after Alaskan oil spill to manage their legitimacy?  | Content analysis of corporate environmental disclosures   | Environment disclosures are used for legitimation repair after a threat to industry legitimacy   |
| Deegan and Rankin (1996)            | Accounting, Auditing and Accountability Journal | Does legitimacy theory explain the CSR disclosure practices of Australian companies prosecuted by the EPA?  | Content analysis of annual report environmental reporting in relation to prosecution by the EPA   | Corporations provide favourable environmental information only even if prosecuted by EPA, increase in reporting favourable environmental information if prosecuted supporting legitimating motives |
| Deegan, Rankin and Tobin (2002)     | Accounting, Auditing and Accountability Journal | Which CSR disclosures can be explained by social contract and legitimacy concepts?  | Content analysis of CSR disclosures of BHP and levels of unfavourable community concern in media  | CSR disclosures are used for legitimating purposes by some corporations, management release positive CSR information in technique to unfavourable media attention                                  |
| Campbell, Craven and Shrives (2003) | Accounting, Auditing and Accountability Journal | Do corporations with "sinful" reputation disclosure more social information?  | Content analysis of CSR disclosures in annual reports disclosures for corporations across 5 countries   | Legitimacy theory explains some CSR disclosures but not all. Mixed results challenges the usefulness of future annual report only studies  |
| Magness (2006)                      | Accounting, Auditing and Accountability Journal | Does Ullmann's hypothesis of strategy posture, modified by financial performance, in the light of stakeholder power to assist understanding of corporate CSR disclosures?       | Content analysis of annual report environmental disclosures of Canadian gold mining corporations. Regression analysis against press releases after industry accident  | Environmental disclosures positively associated with press release activity and external financing (discretionary non-financial items only).   |
| Buccina, Chene and Gramlich (2013)  | Accounting Forum                                | Were financial reporting and environmental disclosures used for legitimating purposes following a lawsuit for damages from environmental damage                                 | Content analysis of financial reporting and SEC disclosures by Chevron relating to lawsuit claiming damages and examination of accounting and reporting rules to identify appropriateness and timing of disclosures | Discussion of use of disclosures in relation to the litigation in the context of legitimacy and stakeholder theories to explain the disclosures.   |
| Soobaroyen and Ntim (2013)          | Accounting Forum                                | Investigate how and why public corporations rely on symbolic and substantive social disclosures   | Content analysis of corporate disclosure technique of 75 listed South African companies from 2003 to 2009 and creation of a disclosure index based on GRI guidelines on HIV/AIDS                                    | Observed the use of a mix of substantive and symbolic disclosures to manage moral and pragmatic legitimacy identified in Suchman (1995)  |
| Brennan and Merkl-Davies (2014)     | Accounting, Auditing and Accountability Journal | Explore the interactive nature of social and environmental reporting used during a controversy between business organisation's and a stakeholder over environmental performance | Case study of Greenpeace and six organisations in the sportswear/fashion industry over wastewater discharge of hazardous chemical with examination of press releases issued by the parties over                     | Observation of the extensive use of rhetoric by all parties focusing on strategies, logos, ethos and pathos, use of metaphors. The organisations gave in to Greenpeace demand and this was         |

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|                               |                           |   | a two month period.   | attributed to their ability to harness support from stakeholder through the use of effective rhetoric resulting in the organisation needing to make change to manage legitimacy.                            |
| Noronha, Leung and Lei (2015) | Sustainability Accounting | Examination of CSR techniques of Chinese railway companies after the fatal Wenzhou train accident | Examination of information published by the 5 largest companies involved with production of trains and railway systems related to the accident, CSR and sustainability reports, company web sites, news and press releases and internet postings. | Disclosures relating to the incident by the related companies were very low or non-existent with insufficient CSR disclosures. Applied legitimacy, stakeholder and institutional theories to the situation. |

## Appendices A: Table 3 - CSR Based Organisational Legitimacy Research

### Other legitimization Techniques

| Author  | Journal  | Research Question   | Method  | Findings   |
|---|--|---|---|--|
| Nasi, Nasi, Phillips and Zyglidopoulos (1997) | Business and Society                                 | How useful are issue life cycle theory, legitimacy and stakeholder theories in explaining corporate issue management decisions?                                       | Case Studies of four large forestry corporation in Finland and Canada-analysis of their techniques to social issues                                     | Study corporate management of issues using life cycle theory, stakeholder theory and legitimacy theory. Found support for legitimacy theory.   |
| Woodward Edwards and Birkin (2001)            | British Accounting Review                            | How can multiple theories including legitimacy theory be incorporated to analyse corporate attitudes to CSR?  | Interviews with senior executives of UK Corporations  | Found support for organisational legitimacy and political economy arguments for corporate responsibility actions by corporations   |
| Chen, Patten and Roberts (2008)               | Journal of Business Ethics                           | Does a relationship exist between philanthropic giving and CSR performance?   | Analysis of the corporate giving directory and social performance information was obtained from social research firm for a selection of US corporations | Worse CSR performers were more likely to make charitable donations was observed for environmental issues and product safety areas but not employee relations of CSR suggesting legitimising motivations for these actions                                    |
| Kent and Menem (2008)                         | Australian Accounting Review                         | Do legitimacy, accountability and transparency considerations provide explanations for CSR.?  | Review of literature  | Suggest motives for CSR include legitimacy and accountability and transparency   |
| Cho, Phillips, Hageman and Patten (2009)      | Accounting, Auditing and Accountability Journal      | What is the impact of the quantity and quality of CSR web disclosures on site users?  | Experiment using accounting students CSR web disclosures  | Quality Web CSR disclosures positively related to an impression of trusting intentions   |
| Bessiree and Onnee (2010)                     | Accounting Perspectives                              | What types of strategies are most useful for legitimacy management?   | Case study of a Corporate Social Performance assessment organisation  | Identified utilitarian conservative type strategies may be more successful than non-utilitarian activist strategies for legitimacy management in the short term  |
| Abdullah and Aziz (2013)                      | Social Responsibility Journal                        | Develop a measure of CSR for Malaysian government linked organisations and public listed companies  | Survey conducted and instrument created to measure CSR practices such as relational, ethical/moral, and discretionary                                   | Evidence that CSR initiatives impact on corporate reputation directly and increased CSR initiatives used to gain legitimacy  |
| Bhattacharyya (2015)                          | Australasian Accounting Business and Finance Journal | Identify attitudes of managers to CSR   | Survey of Indian managers to collect information on attitudes to environmental management issues using Suchmans legitimacy types                        | Confirmed three social and environmental factors and provided a model of managerial attitudes to CSR   |
| Bhattacharyya (2014)                          | Social Responsibility Journal                        | Examine and explore attitudes towards CSR of Australian and Indian management   | Survey of 318 Australian and Indian managers from three industries followed by principal component analysis and confirmatory factor analysis            | An overall positive attitude to CSR by both groups was observed with Indian respondents more concerned about a greater social issues.  |
| Blanco, Guillamon-Saorin and Guiral (2013)    | Journal of Business Ethics                           | Study the effects on financial performance of being involved in controversial business activities and their level of social performance from a legitimacy perspective | Analysed a sample of 202 US firms for the period 2005 to 2008 using partial least squares   | The companies involved in controversial business activities which engage in corporate social performance activities do not reduce stakeholder negative perceptions but CSP did have a positive mediation effect on financial performance through innovations |

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| Sarker (2013)                                    | Asian Journal of Business Ethics                          | Analysis of two voluntary codes of conduct by Australian mining and petroleum industries and sustainability  | Analysis of voluntary codes of conduct and social sustainability elements relating to human rights, employee and community relations, stakeholder engagement, community consultation and public reporting | Concludes that stakeholders have important role in driving voluntary regulation based on legitimacy and social license to operate arguments supporting legitimacy theory   |
| Arvidsson (2014)                                 | Social Responsibility Journal                             | Examine the view of stock market actors of CSR information using grounded legitimacy theory and stakeholder theory                                   | Semi-structured interviews with financial analysts at international investment banks  | Shift to CSR not driven by actors in the stock market and they have mistrust towards this information  |
| Elbaz and Laguir (2014)                          | Journal of Applied Business Research                      | Examine firm structure, CSR and financial performance  | Study of Moroccan companies CSR Adoption and financial performance using stakeholder, legitimacy and stewardship theories   | Concluded that family structure positively influenced CSR orientation of family firms  |
| Jaumont (2014)                                   | PhD Dissertation  | Observe process of gaining and building legitimacy and the role of collaboration   | Case study of partnerships between US foundations and the Partnership for Higher Education in Africa  | The foundations leveraged legitimacy by working collaboratively with peer grant-makers and beneficiaries and gained legitimacy through a form of collective and participatory action   |
| Martinez and del Bosque (2014)                   | Corporate Reputation Review                               | Enhance understanding of the relationship between sustainability, reputation and image in a legitimacy context                                       | Survey of 382 Spanish consumers   | Sustainability plays a crucial role in reputation and image  |
| Mistry, Sharma and Low (2014)                    | Pacific Accounting Review                                 | Identify the perceptions of management accountant of their role in accounting for sustainable development using legitimacy theory as a base          | Interviews and surveys of management accountant from NZ organisations   | Management accountants for small-medium organisations play a limited role in accounting for sustainable development compared to larger organisations.  |
| Panwar, Paul, Nybakk, Hansen and Thompson (2014) | Journal of Business Ethics                                | Observe use of CSR actions for legitimacy across to public vs family owned structures  | Study of CSR actions of publicly traded forest products company and a family owned forest products company  | A lower level of legitimacy for CSR action of publicly traded companies than for family owned and perceived profitability was negatively associated with legitimacy of CSR actions for publicly traded companies.                    |
| Mohamed, Shaikh, and Ho (2014)                   | Asian Review of Accounting                                | Using agency theory and legitimacy theory to investigate the influence of board characteristics on sustainability reporting                          | Hierarchical binary logistic regression on data from sample of 148 Sri Lankan company's 2012 annual reports   | Board size and dual leadership are positively associated with sustainability reporting and presence of female directors negatively associated with sustainability reporting. Reporting also related to firm size and growth and age. |
| Aziz, Manab and Othman (2015)                    | Asian Economic and Financial Review                       | Explore the notion of corporate governance and underlying theory related to sustainability risk management (SRM)                                     | Presents a discussion of Modern portfolio, stakeholder and legitimacy theories and corporate governance and SRM   | Highlighted the importance of corporate governance through adoption of sustainable risk management practices toward maximisation of economic, environmental and social performance.  |
| Bason and Anagnostopoulos (2015)                 | Sports, Business and Management and International Journal | Provide a descriptive account of multinational enterprises CSR programs that have sport as their core and the use of CSR to close the legitimacy gap | Content analysis of annual reports, annual reviews and CSR reports of FTSE 100 firms for the period 2003 to 2012  | Three main streams of CSR were observed being philanthropy, sponsorship and Personnel engagement, acknowledging the general rise of CSR in sport   |

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| Koca-Helvaci and Cihan (2015) | On the Horizon                                   | To analyse how appraisal resources and legitimization strategies used in Walmart's CSR report to contribute to positive image | Content analysis of CSR reports for the period 2011 to 2013 to examine evaluative language in relation to the terms associates and suppliers          | The stance towards each was different but both used to communicate a positive self-image, portraying its relationship with associates as cooperative and its relationship with suppliers as philanthropic trying to improve poor working conditions of suppliers through regulation |
| Mattingly and Westover (2015) | International Journal of Organisational Analysis | Examine the notion of borrowed legitimacy through coalition   | Case study and content analysis of interviews, news articles and other publically available data of Sea Shepherds                                     | Demonstrate how a coalition with a legitimate organisation assists an organization to gain legitimacy by association  |
| Odafe (2015)                  | PhD Dissertation                                 | Examine the role of isomorphism in legitimacy of two organisations  | Case study of the relationship between Willow Creek Community Church and its embedded nonprofit social services organization and effect on legitimacy | Isomorphism was observed with the parent organisations reflecting legitimacy onto its related organization and highlighted importance of legitimacy in donor funded organisations and the consistency in values between a parent organization and its embedded unit.                |



## Appendices A: Table 4 - Other Organisational Legitimacy Research

### Communication (Disclosure) based – Narratives

| Author                            | Journal  | Research Question  | Method  | Findings  |
|-----------------------------------|--|--|---|---|
| Tsang (2001)                      | Asia Pacific Journal of Management               | Identify whether increased disclosures on foreign activities for legitimating purposes following call by the government for increased foreign investment | Content analysis of Singapore corporations annual reports for increase in foreign activity disclosures following the governments announcement | The findings were consistent with the strategic use of disclosures for legitimating purposes  |
| Johnson and Holub (2003)          | Journal of Business Ethics                       | What are the effects of a potential legitimacy damaging structural change and organisational decision making?  | Content analysis of media releases and other publicly information by expatriated US corporations  | Public pressure did not alter the majority of corporations decision to expatriate for tax benefits to the corporation despite the potential delegitimation effect of the decision |
| Ogden and Clarke (2005)           | Accounting, Auditing and Accountability Journal  | How are legitimating statements used in technique to a change of structure?  | Content analysis of annual reports of recently privatised UK water companies  | Observed the use of a range of assertive defensive legitimating statements in their annual reports  |
| Patel and Xavier (2005)           | ANZCA (2005)                                     | How are legitimating statements used in technique to threatened legitimacy?  | Content analysis of media reports   | Identified legitimating statements categorising them as relating to moral, pragmatic and cognitive legitimacy   |
| Suddaby and Greenwood (2005)      | Administrative Science Quarterly                 | Examine the legitimating role of rhetoric in legitimating in new structural environments   | Examine the role of rhetoric in a takeover situation in light of controversial structural challenge   | Observed characteristics of rhetoric used for legitimization of institutional change  |
| Breton and Cote (2006)            | Accounting, Auditing and Accountability Journal  | How does public perception of the industry making record profits affect the bank association techniques?   | Media articles and Canadian bankers association website disclosures   | High profit levels caused legitimacy concerns resulting in web techniques by the association to explain and educate   |
| Vaara, Tienari and Laurila (2006) | Organization Studies                             | Observe the role of narrative strategies in legitimization in an industrial restructure context  | Critical discourse analysis of media coverage of pulp mill and paper sectors  | Identified legitimization narrative strategies of normalisation, authorization, moralization, rationalization and narrativisation   |
| Singh and Point (2009)            | Management International                         | Are website communications of European companies used for legitimating purposes  | Content anlysis of website disclosures  | Statements on website consistent with management of pragmatic and moral legitimacy  |
| Normand and Wooton (2010)         | Accounting History                               | How were financial reports used for legitimization by a philanthropic organisation?  | Annual reports analysis of North-western Sanitary commission  | Use of annual reports for legitimacy management   |
| Samkin and Schneider (2010)       | Accounting, Auditing and Accountability Journal  | How is formal accountability and informal reporting used to justify an organisation's existence?   | Annual Report and media release content analysis of New Zealand public benefit entity   | Both restorative and proactive assertive and defensive narrative tools were used by the organisation to gain, maintain and repair its legitimacy                                  |
| Jonall and Rimmel (2010)          | Journal of Human Resource Costing and Accounting | How are CEO letters used for legitimization of Swedish corporations?   | Discourse analysis of CEO letters of three Swedish corporations   | Revealed how CEO's make themselves accountable and establish their legitimacy and the corporation's legitimacy  |
| Erkama and Vaara (2010)           | Organization Studies                             | How are legitimating statements and rhetoric used in a shutdown case?  | Study of corporate rhetoric in a shutdown scenario  | Role of rhetoric in legitimization in shut down case.   |
| Samkin, Allen and Wallace (2010)  | Australasian Accounting Business & Finance       | Is legitimization managed through the use  | Case Study of annual report disclosures   | Observed use of legitimating statements   |

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|                           | Journal  | of statements and pictures by the NZ police force?  | of the New Zealand police force  | and photographs to repair legitimacy   |
| Watson (2011)             | Meditari Accountancy Research                      | Examine whether voluntary annual report disclosures can be explained using legitimacy theory and media agenda-setting theory                  | Study of voluntary disclosures relating to conflict diamonds by the four largest diamond mining companies in South Africa.   | Changes in the degree of media attention relating to conflict diamonds are largely mirrored by the annual report disclosure by one firm but not the others so only one firm's data provided support for legitimacy theory.   |
| Beelitz (2012)            | Journal of Business Ethics                         | Examine narratives following a legitimacy threatening incident to identify legitimacy management techniques                                   | Content analysis of all corporate documents in the 6 month period for Swedish company following nuclear plant incident including press releases, interim reports, statements and speeches and media interview to identify CEO narratives | Conclude that CEOs aim to negotiate a resolution between their initial account and constituent's interpretation of challenges. Strategic use of discourse for stakeholder engagement for signalling change was observed supporting legitimacy repair arguments.  |
| Hassan (2014)             | International Journal of Disclosure and Governance | Understand the dynamic of risk narrative disclosures and their use for social legitimacy in emerging market economies                         | Content analysis of risk narrative disclosures in annual reports of 23 UAE financial institutions for themes and legislation, newspaper articles, and professional bulletins   | Observed use of assertive and defensive disclosure tactics to gain, maintain and repair legitimacy.  |
| Hasbani and Breton (2013) | Society and Business Review                        | To better understand discursive strategies used by organisations to restore their legitimacy  | Longitudinal case study of President's letter from annual reports of a company in the pharmaceuticals industry using semiotic tools  | Some narrative sections are designed to protect legitimacy, but the rhetoric largely works to maintain legitimacy in front of stakeholder and on occasions used to restore legitimacy.   |
| Joutsenvirta (2013)       | Journal of Business Ethics                         | Study discursive processes through which heavily contested executive pay schemes were constructed as legitimate in public                     | Critical discursive analysis of media texts and examination of two separate debate periods   | Identified five legitimization strategies through which social actors contested the schemes and constructed subject positions for managers, politicians and citizens. Highlights a change in moral reasoning as they adapt justifications to changing social context. Shows how discursive strategies are used to legitimise business activities can shift quickly as a result of changes in social and political climate. |
| Sidani and Showail (2013) | Journal of Organizational Change Management        | Examine a case of proactive change in stakeholder perspective   | A study of religious discourse by a large Saudi Arabia organisation  | Identification of the impact of religious discourse on organisational change and identifies way organisations can engage people with the organisation in the change process through a systematic process of sense making to give moral legitimacy to company's initiatives.  |
| Boiral (2015)             | Journal of Business Ethics                         | Studies strategies used to demonstrate accountability for biodiversity and legitimise impact through the use of techniques of neutralisation. | Content analysis of 148 sustainability reports from mining organisations to study the use of rhetoric for legitimization   | Techniques observed being explain, defend their legitimacy, deny they have any impact and distance themselves from the impact of their actions and play down their responsibility. Bridges the gap between organisational legitimacy   |

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|                   |                            |  |   | impression management and neutralisation.   |
| Vetergaard (2014) | Journal of Business Ethics | Investigate the mediatisation for legitimization by humanitarian organisations | Content analysis of brochure materials from 1970 to 2005 of the Danish Red Cross, Amnesty International and Save the Children Time trend analysis | Noted marked shifts in the materials. Three dominant discourses behind the shifts noted were legitimatisation by accountancy, legitimization by institutionalisation and legitimization by compensation |

## Appendices A: Table 5 - Other Organisational Legitimacy Research

### Communication (Disclosure) based – other

| Author                                 | Journal  | Research Question  | Method  | Findings  |
|--|--|--|---|---|
| Arnold et al (1996)                    | Journal of Business Research                       | Examine how symbolic acts, such as those emphasized by Wal-mart, ensure legitimate image and affect retail store choice. | In logit analyses of survey data from low-priced department store shoppers in the Atlanta, Chicago, Indianapolis, Dallas/Fort Worth, and Kingston, Canada markets Frame in early discussion of legitimacy concepts. | Determined that being identified as having a strong community reputation not only directly affected store choice, but also moderated the effect of the other determinant price, value, and location attributes. |
| Taylor, Sulaiman and Sheahan (2001)    | Managerial Auditing Journal                        | What is the role of the EMS audit function in legitimation?  | Survey of environmental management systems(EMS) of Australian corporation   | Provides evidence that EMS audit function and meeting requirement for certification seen as providing benefits to the firm suggesting legitimacy motives  |
| Ryan, Dunstan and Brown (2002)         | Accounting, Accountability and Performance         | Do stakeholders on the annual reporting practices?   | Series of case studies of Qld public sector use of annual reports and entry into the annual reports awards  | Observed that the selective use of annual reports and entry to the annual report awards was undertaken for legitimating purposes  |
| Daniels, Braswell and Beeler (2010)    | Accounting Historians Journal                      | What is the role of accounting in legitimacy management by a new charitable organisation?                                | Case Study of Charleston Orphanage  | Discussion of the role of accounting in legitimating new charitable organisation  |
| Wang (2010)                            | Corporate Governance: An International Review      | Is corporate restructuring undertaken for legitimating purposes?   | Case Study - Examination of corporate restructuring   | Examines restructuring as legitimating tool after fraud causes threat to legitimacy   |
| Watts, McNair and Baard (2010)         | Australasian Accounting Business & Finance Journal | Are annual reports where used as a legitimacy tool?  | Study the frequency of use of annual reports by Australian Universities   | Use of AR's by the universities was found to be symbolic, only being produced when required to by the government then discontinuing   |
| Grafton, Abernethy and Lillis (2011)   | Management Accounting Research                     | How does legitimacy concern affect the design and control of public sector networks?                                     | Case study of Australian public sector hospital networks  | Effects of legitimacy concerns and other concerns such as efficiency affected structural and control choices  |
| Oliveira, Rodrigues and Russell (2010) | Journal of Intellectual Capital                    | Are intellectual capital items used in sustainability reports for legitimation?  | Intellectual capital items in sustainability reports of Portuguese corporations   | Higher IC disclosures used by firms with higher levels of application of the GRI framework suggesting legitimacy motives for such practices   |
| Oliveira, Rodrigues and Russell (2011) | Journal of Financial Regulation and Compliance     | Explore factors affecting voluntary risk related disclosures (RRD)   | Content analysis of annual reports of 111 Portuguese banks  | Voluntary RRD observed could be explained by legitimacy theory and resource based perspectives  |
| Oliveira, Rodrigues and Russell (2013) | Journal of Risk                                    | Study public visibility and monitoring of risk related disclosures by stakeholders                                       | Content analysis of annual reports of 185 Portuguese credit institutions  | Signification difference is found between RRD and public visibility concluding these disclosures are used to gain, maintain and improve reputation for legitimacy management purposes                           |
| An, Davey and Eggleton (2011)          | Journal of Intellectual Capital                    | How can a theoretical framework for  | Theoretical discussion  | Present a theoretical framework for   |

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|   |  | voluntary intellectual capital disclosures be developed?   |   | studying voluntary intellectual capital disclosures utilising theories including legitimacy theory  |
| Grafton, Abernethy and Lillis (2011)          | Management Accounting Research                       | How are design and control choices of public sector networks effected by legitimacy concerns?  | Case study of Australian public sector hospital networks  | Effects of legitimacy concerns and other concerns such as efficiency affected structural and control choices  |
| Luke, Barraket and Eversole (2013)            | Qualitative Research in Accounting and Management    | Review emphasis on quantifiable performance measures such as social return on investment (SROI) in social enterprises through a legitimacy theory lens | Case study involving interviews, documentary analysis of three social enterprises at different life-cycle stages and different funding structures | Finding suggest resources of social enterprises would be better allocated towards documenting actual outcome and impacts to evaluate social and financial performance in term appropriate to objectives to demonstrate organisational legitimacy  |
| Canny (2014)                                  | Pacific Accounting Review                            | Study the use of contributions of corporation from a legitimacy and media agenda setting perspective   | Quantitative examination of annual report disclosures of contributions by Australian corporation to the Asian tsunami relief appeal               | Correlation between disclosure of contributions and company size and volume of content were consistent with legitimacy theory and unsupported relationships such a company profit disclosure of cash amounts could be explained forma n accountability perspective. Results indicate strong relationship between public awareness and disclosure technique. |
| Guerrero Rodrigues and Craig (2014)           | Australasian Accounting Business and Finance Journal | Identify influences on unlisted companies with movement from a cod law, rules-based accounting system to a principles-based accounting system          | Study of accounting practices of listed and unlisted companies  | The adoption of IFRS based accounting by unlisted companies was explained by a desire to maintain social legitimacy   |
| Abhayawansa and Azim (2014)                   | Asian Review of Accounting                           | Examine intellectual capital reporting practices in the context of legitimacy management and impression management                                     | Content analysis of 2006 annual reports of 16 pharmaceutical companies in Bangladesh  | Evidence of the need to manage stakeholders us of IC disclosures for legitimacy and impression management and proprietary cost theory   |
| Crawford, Helliard, Monk and Veneziani (2014) | Accounting Forum                                     | Examine the legitimacy of the International Accounting Education Standards Board   | Examine disclosure compliance of 21 professional accountancy bodies internationally   | Disclosed compliance does not always conform with required standards. Effects on legitimacy of the IAESB are discussed.   |

## Appendices A: Table 6 - Other Organisational Legitimacy Research

### Other Legitimizing Techniques

| Author  | Journal   | Research Question  | Method  | Findings  |
|---|---|--|---|---|
| Dowling and Pfeffer (1975)                    | Pacific Sociological Review                       | Test the proposal that an organisation uses legitimating techniques to respond to legitimacy challenges                        | Empirical case study of American Institute for Foreign Study  | Legitimizing techniques used in response to legitimacy threat may include communications and techniques to deal with existing legitimate structures and symbols.  |
| Nahapiet (1988)                               | Accounting and Organizations and Society          | What is the role of accounting in organisational change and legitimacy management?   | Case study of resource allocation and accounting in the health care industry  | Discussed the role of accounting in change and establishing legitimacy  |
| Irvine (2002)                                 | Accounting Historians Journal                     | How is accounting used for legitimization in a secular organisation?   | Case Study of Salvation Army  | Examined the role of accounting as an institution and the use of financial statements in legitimating organisation noting that financial statements played a powerful legitimising role for the organisation        |
| Beaulieu, Roy and Pasquero (2003)             | Conference Paper                                  | Discussion of legitimacy management  | Case Study of a professional body   | Accumulated knowledge essential to legitimacy management  |
| Goddard and Assad (2006)                      | Accounting, Auditing and Accountability Journal   | Are accounting practices used by NGOs for legitimization?  | Interviews and range of documents of three Tanzanian NGOs   | Symbolic use of accounting and accounting processes for legitimating purposes   |
| Baughier (2007)                               | Sociological Inquiry                              | Identify the effect of workplace participation programs on union legitimacy  | Random survey of workers at a General Motors truck plant  | Identified that the team concept embedded in the workplace programs threatened union legitimacy   |
| Fiedler and Deegan (2007)                     | Managerial Auditing Journal                       | Was legitimacy management a motivations for building industry collaborations?  | Studied collaborations with environmental groups in the Australian building industry  | Collaborations were motivated by desire to align with organisations with green credentials and enhance their legitimate image   |
| Soobaroyen and Sannasee (2007)                | Journal of Accounting and Organizational Change   | What motivations exist for use of financial planning and control practices in voluntary organisations?                         | Questionnaires and interviews of treasurers of a set of voluntary organisations   | Internal financial planning and control practices were used to convey a message of rationality and pursue pragmatic or moral legitimacy   |
| Bitektine (2008)                              | Dissertation                                      | Understand organisational legitimacy in relation to the concepts of statutes and reputation                                    | Review and synthesis of systemisation of concepts of reputation and status, itemisation of properties of legitimacy followed by comparative analysis of two emergent industries in Canada | Defines legitimacy and develops legitimacy types, develops typology of legitimacy manipulation strategies used for deterrence and compared defensive institutional strategies in emergent industries.               |
| Cohen and Bronn (2008)                        | Business and Society Review                       | Are corporate citizen practices used for legitimization?   | Corporate citizen practices of Norwegian corporations   | Majority used citizenship initiative to improve image and company interests, fulfil stakeholder expectations and remain competitive. Conclude corporate citizenship is a measure of pragmatic and moral legitimacy. |
| Yazdifar, Zaman, Tsamenyi and Askarany (2008) | Accounting Perspectives                           | How do parent subsidiary dynamics affect the legitimating choices of a corporation?  | Longitudinal case study of UK chemical company  | Studied legitimating practices in the context of a subsidiary parent corporation  |
| Fowler (2009)                                 | Journal of Accounting and Organisational Change   | What is the role of budget and PM practices in legitimacy management?  | Longitudinal case study of budget and PM practices of New Zealand primary schools   | Budget, inspection and PM practices were used directly to manage needs to obtain legitimacy and procure resources   |
| Bezjian, Holmstrom and Kipley (2009)          | Business Renaissance Quarterly                    | Which factors are important to management in use of robust legitimisations systems?  | Theoretical discussion of not for profit organisations and legitimization   | Areas of concentration to achieve legitimacy including managerial mindset and resource management   |
| Durocher and Fortin (2010)                    | Qualitative Research in Accounting and Management | Which legitimacy management strategies did the Standards Board use to manage their legitimacy in the development of standards? | Legitimacy management strategies in publicly available documents of Canadian Accounting Standards Board   | The organisation used symbolic legitimacy management techniques using isomorphism to work on cognitive and cultural legitimacy  |
| Walker and McCarthy                           | Social Problems                                   | Observe the relationship between resources and   | Examined survival rates and patterns of a   | Cultivating resources is essential to survival and organisations  |

|  |   |  |   |  |
|--|---|--|---|--|
| (2010)                                     |   | legitimacy and the effects of legitimacy on the long-term survival of community based, charitable organisations.                                     | sample of community based organisations between 1990 and 2004   | that build legitimacy will be in a better position to compensate for resource deficits   |
| Lasmin (2011)                              | Academy of Accounting and Financial Studies Journal | What are the legitimating effects of the adoption of IFRS by developing countries?   | Study of the adoption practices in developing countries   | Adoption of IFRS by developing countries was undertaken for legitimating reasons   |
| Cologuhoun (2013)                          | Accounting History                                  | Expand understanding of new audit arrangements in the public sector and nature of legitimacy   | Two cases relating to the audit of local government using political legitimacy and organisational legitimacy  | Illustrates how legitimacy was sought in two cases using three stages of controversy, closure and credibility. Use of dual lenses provides deeper understanding of the form of legitimacy and how it was obtained in local government setting  |
| Huybrechts and Nicholls (2013)             | Social Enterprise Journal                           | Examine the role of cross-sector between social enterprises and corporations in managing legitimacy  | Case study of a long-standing partnership between a UK based Fair Trade social enterprise and a large corporate retailer  | Examined the role of legitimacy throughout the collocation process starting with justification of the collaboration and the evolution of the collaboration   |
| Reast, Maon, Lindgreen and Vanhamme (2013) | Journal of Business Ethics                          | Consider strategies used to seek organisational legitimacy in controversial UK casino gambling market  | Multi stakeholder case study of Kerzner International bidding process for casino license in UK – failed bid   | Results suggest four generic strategies for seeking organisational legitimacy in complex context – construing, earning, bargaining and capturing and combinations of these strategies  |
| Pittroff (2014)                            | Journal of Business Ethics                          | Desire to find a theoretical foundation to explain why organisations implement whistle-blowing systems   | Survey of German managers   | Support for legitimacy theory was observed revealing that legitimacy theory supported the use of external systems as they are symbolic in nature but do not hold for internal whistle-blowing systems because internal systems are driven by power.                                      |
| Reddy and Sharma (2014)                    | Journal of Accounting and Organisational Change     | To investigate the nature and extent of compliance to the principle based corporate governance initiatives by listed companies in Fiji               | Analysis of panel data for SPSE companies in FIJI for the period 2008 to 2011 using ordinary least squares regression   | Listed companies did adopt CMDA corporate governance recommendations establishing subcommittees for audit and remuneration, non-executive independent directors and separate chair and CEO to gain legitimacy  |
| Bommel (2014)                              | Accounting, Auditing and Accountability Journal     | Examine multiple views on integrated reporting to consider if corporations can reconcile the views and gain legitimacy through compromise            | Multiple methods to examine integrated reporting in Dutch reporting field. 64 semi structured in depth interviews and documentary analysis                              | Integrated reporting combines different aspect of sociology of worth and it informs integrated reporting and need to be reconciled for legitimacy management purposes.   |
|  |   |  |   |  |
| Payette (2014)                             | Technology Innovation Management Review             | Legitimacy and new business ventures   |   |  |
| Stojnic (2014)                             | PhD Dissertation                                    | Knowledge and legitimacy in new ventures   |   |  |
| Conway, O’Keefe and Hrasky (2015)          | Accounting, Auditing and Accountability Journal     | Observe NGO techniques to criticisms over the relief effort following the Asian Tsunami in 2004 to test for impression management legitimacy motives | Content analysis of voluntary disclosures and other aspects of the annual reports immediately before and after the tsunami for 19 Australian and overseas and agencies. | Results suggested voluntary disclosures in the annual reports significantly increased after the tsunami consistent with impression management and legitimacy motives. Examined narratives for accountability, objective or subjective, structural characteristics of the annual reports. |
| Hsu, Lin and Wang (2015)                   | European Journal of Information Systems             | Studies the adoption of cross-cultural Interorganisational Information Systems (IOS) using legitimacy and institutional theories                     | ‘Study IOS in a global environment and  | IOS adoption is contingent upon alignment with three institutional pillars in different countries and the use of legitimation strategies by stakeholders   |
| Perrault and McHugh (2015)                 | Journal of Management and Organization              | Theoretical discussion on board characteristics and strategies to gain, maintain and repair legitimacy   | Theoretical discussion  | Firms face evolving legitimacy pressures of both substantive and symbolic nature as they progress through their life cycle and this is reflected in their boards evolving roles and characteristics.   |
| Rueede and Kreutzer (2015)                 | Journal of Business Ethics                          | Examine data on the role of cross-sector social partnership in legitimatisation with multiple  | Case study of data on partnership between DHL and the United Nations Office for the   | DHL provides corporate volunteers on a pro bono basis. Observed changes in constituents needing to receive   |

|                              |   |  |   |   |
|------------------------------|---|--|---|---|
|                              |   | internal and external stakeholders.  | Coordination of Humanitarian Affairs.   | legitimacy from over time. Define legitimacy identifying as purposeful effort to avoid certain issues while ensuring other issues are of importance to particular constituents.                           |
| Gaspar and Mkasiwa (2015)    | Journal of Accounting in Emerging Economies | Investigate performance measurement practice in Tanzanian Local Government authorities in the context of new public management         | Content analysis of annual performance assessment used for grant assessment for local government development grants by central government using grounded theory | Identified strategies used for legitimacy management were dialogue and learning about the performance measurement exercise and the production and manipulation of evidence                                |
| Perrault (2015)              | Journal of Business Ethics                  | Bring together social network and institutional perspectives to examine the effect of women board members on organisational legitimacy | Analysis of 34 structured interviews, and archival and documentary evidence   | Through real and symbolic representations women improve perceptions of the boards trustworthiness, fostering trust and enhancing perceptions of the boards instrumental, relational and moral legitimacy. |
| Schneider and Scherer (2015) | Journal of Business Ethics                  | Theoretical discussion of corporate governance environment in the context of legitimacy management                                     | Examines stakeholder role in corporate governance to make up for deficits in corporate governance deficits in organisations regulatory environment              | Contend that stakeholder involvement may address legitimacy deficits for organisations operating under conditions of regulatory gaps and governance failure.  |



## Appendices A: Table 7 - Other Organisational Legitimacy Research

### Other legitimating studies and theoretical based approaches

| Author                                  | Journal   | Research Question   | Method   | Findings   |
|---|---|---|--|--|
| Hybels (1995)                           | Academy of Management Journal                   | Review and consolidate literature   | Theoretical discussion   | Consolidation of literature on organisational literature and development of a model of resource-exchange and communication- based legitimacy management  |
| Suchman (1995)                          | Academy of Management Review                    | Review and consolidate literature   | Theoretical discussion   | Consolidation of literature on organisational literature and development of possible legitimating techniques   |
| Deegan (2002)                           | Accounting, Auditing and Accountability Journal | To review and discuss literature  | Theoretical discussion   | Discussion of current literature on legitimacy in accounting   |
| Bebbington (2008)                       | Accounting, Auditing and Accountability Journal | Theoretical development of legitimacy and reputation  | Theoretical discussion of legitimacy and reputation concepts   | Discussion of legitimacy and reputation  |
| O'Sullivan and O'Dwyer (2009)           | Accounting, Auditing and Accountability Journal | Examine stakeholder views of banks in the context of legitimacy management  | Interviews of NGO's views of financial institutions  | Obtained views of a stakeholders group on the legitimization process of a set of financial institutions. Examined the delegitimation effect of challenges by NGO's to financial institution's legitimacy, legitimating effect of the equator principles and later delegitimation |
| Sutton, Corderey and Baskerville (2007) | Working Paper Series, Wellington University     | Demonstrate how a decrease in legitimacy can lead to organisational demise  | Case study of New Zealand charitable organization  | Delegitimation resulted in reduced access to resources and effective demise of the organisation  |
| Bonson and Ratkai (2013)                | Online Information Review                       | Aims to propose a set of metrics to measure stakeholder engagement and social legitimacy on corporate Facebook page | Analysis of data from 314 European companies   | The metrics were confirmed for Facebook and could be applied to other social media   |
| Geurtsen (2014)                         | International Review of Public Administration   | Identify whether a link exists between accountability standards and legitimacy in not-for-profit organisations      | Collected data on new rules and reputation for not-for-profit organisations in Netherlands, conducted a survey of Dutch charitable organisations and their stakeholders and interviewed executives from charitable organisations | Although there is a link between accountability standards and legitimacy that differences across stakeholders occurred and the operate legitimately the organisations need to supply information but also interact with stakeholders at different time in different ways.        |
| Omran and El-Galfy (2014)               | Asian Review of Accounting                      | To provide an extensive and critical overview of theoretical perspective in accounting literature                   | Review and discussion of the use of positive accounting theory, agency theory, signaling theory , political economy theory, stakeholder theory, legitimacy theory and contingency theory to identify situations suiting          | Summary of situations suitable to each theory identify legitimacy theory useful for study of multinational corporations in developed countries.  |

|                                       |                                      |   |   |   |
|---------------------------------------|--------------------------------------|---|---|---|
|                                       |                                      |   | application of each theory  |   |
| Stringfellow, Shaw and Maclean (2014) | International Small Business Journal | Uses a Bourdieusian framework to study relational dynamics of legitimation with a professional service venture context                        | Studied two profiles of individual business owners who renounce or adhere to established norms of the professional field. | Small accounting ventures may benefit from improved access to resources if they focus on fitting in with accepted small business professional logic. A model of legitimacy developed          |
| Becker-blease and Sohl (2015)         | Small Business Economics             | Identify aspects of new ventures activities, structures and outcomes can be associated with legitimacy judgments by potential angel investors | Content analysis of narratives of 176 new venture proposals   | Entrepreneurial ventures with quality management teams, advisors and developed products are viewed more favorably by angel investors and more likely to have better access to these investors |
| Peake and D'souza (2015)              | Journal of Small Business Strategy   | Theoretical development of literature on the process of new venture legitimacy judgments bestowed by stakeholders                             | Theoretical discussion of using absorptive capacity construct   | Develop a theoretical framework which includes the stakeholder in the legitimacy judgment formation process for new ventures  |

## Appendix B – Media Articles – Summary of Sources

| <b>Media Articles - Summary of Sources</b> |  |                                |
|--|--|--------------------------------|
| Vol VI 16(B) June 1944 to June 1945        | Vol VI July March 1966 to April 1967 Metro | Vol VII 86 March to April 1994 |
| Vol VI 16(C) 1945 POW Cuttings             | Vol VI 49 Nov 1967 to March 1970 Country   | Vol VII 87 April to June 1994  |
| Vol VI 16(D) June 1945 to June 1946        | Vol VII 50 1965 Nov 1967 Country           | Vol VII 88 June 1994           |
| Vol VI 16(E) June 1946 to April 1947       | Vol VII 51 April 1968 to Jan 1970 Country  | Vol VII 89 July to August 1994 |
| Vol VI 16(F) April 1947 to July 1948       | Vol VII 52 Dec 1970 to May 1972 Country    | Vol VII 90 July to Oct 1994    |
| Vol VI 16(G) Country and Suburban          | Vol VII 53 Jan 1970 to July 1972 Metro     | Vol VII 91 Aug to Sept 1994    |
| Unnamed volume July 1948 to march 1950     | Vol VII 54 Jan 1972 to March 1975 Country  | Vol VII 9 Sept to Nov 1994     |
| Vol VI 17 March 1950 to November 1950      | Vol VII 59 1978 and 1982 Metro             | Vol VII 93 Dec 1994            |
| Vol VI 22 July to November 1952            | Vol VII 60 1979 and 1983 Country           | Vol VII 94 Nov to Dec 1994     |
| Vol VI 23 July 1952 to June 1953           | Vol VII 61 1983 to 1986 Country            | Vol VII 95 1994 to 1995        |
| Vol VI 24 July 1953 to march 1954          | Vol VII 62 June 1978 to Sept 1987 Suburban | Vol VII 96 Jan to Feb 1995     |
| Vol VI 25 March to June 1954               | Vol VII 63 March 1982 to Nov 1987 Metro    | Vol VII 97 Feb 1995            |
| Vol VI 25 March to June 1954               | Vol VII 64 Nov 1987 Metro                  | Vol VII 98 Feb 1995            |
| Vol VI 27 March 1953 to February 1955      | Vol VII 65 1990                            | Vol VII 99 March 1995          |
| Vol VI 28 February 1955 to Nov 1955        | Vol VII 66 1988                            | Vol VII 100 April 1995         |
| Vol VI 29 March to June 1955 Metro         | Vol VII 67 1990                            | Vol VII 101 May 1995           |
| Vol VI 30 July to Sept 1955 Metro          | Vol VII 68 1990 - 1991                     | Vol VII 102 May 1995           |
| Vol VI 31 Dec 1955 to August 1956 Country  | Vol VII 69 Feb to July 1989                | Vol VII 103 June 1995          |
| Vol VI 32 Dec 1955 to April 1956 Metro     | Vol VII 69 1991                            | Vol VII 104 July 1995          |
| Vol VI 33 March to May 1956 Metro          | Vol VII 70 1991                            | Vol VII 105 Aug 1995           |
| Vol VI 34 Oct 1956 to March 1957 Metro     | Vol VII 71 1991-92                         | Vol VII 106 Sept 1995          |
| Vol VI 35 Aug 1956 to July 1957 Country    | Vol VII 72 1992                            | Vol VII 106 Oct 1995           |
| Vol VI 37 July 1957 to August 1958 Country | Vol VII 73 1992                            | Vol VII 108 Oct 1995           |
| Vol VI 38 1958 Metro                       | Vol VII 74 1992                            | Vol VII 111 Dec 1995 Jan       |

|  |                              |  |
|--|------------------------------|--|
|  |                              | 1996   |
| Vol VI 39 Dec 1959 to May 1961<br>Country & Suburban |                              | Vol VII 111 Dec 1995                         |
| Vol VI 40 Aug 1958 to Dec 1959<br>Country            | Vol VII 76 1992              | Vol VI3 111 Jan 1996                         |
| Vol VI 41 1961 to 1963 Country and<br>Suburban       | Vol VII 77 1992-93           | Vol VI3 Feb 1996                             |
| Vol VI 42 Jan to Nov 1959 Metro                      | Vol VII 78 1993              | Vol VI115 Feb 1996 - 1997                    |
| Vol VI 43 Nov 1959 to July 1961<br>Country           | Vol VII 79 1993              | Vol VI March/April 1998                      |
| Vol VI 44 1961 to 1963 General<br>interest           | Vol VII 80 1993              | Vol VI May/June 1998                         |
| Vol VI 45 Aug 1961 to Nov 1963<br>Metro              | Vol VII 83 1993-1994         | Vol VI July 1998                             |
| Vol VI July 1963 to September 1965                   | Vol VII 84                   | Vol VI August 1998                           |
| Vol VI July 47 Nov 1963 to March<br>1966 Metro       | Vol VII 85 Jan to March 1994 | 1998 to 2015 access to<br>online data source |

## Appendix C - Examples of Communication Based Legitimizing Techniques

| Legitimation Techniques   | Article (s)   |
|---|---|
| <b>CSR Based Disclosures:</b>   |   |
| CSR disclosures   | Patten (1991);Adams, Hill and Roberts (1998); Clarke and Gibson-Sweet (1999); de Villiers and Van Staden (2006); Hooghiemstra (2000); Wilmshurst and Frost (2000); O'Dwyer (2002); Patten and Trompeter (2003); Higginson, Simmons and Warsame (2006); Branco and Rodrigues (2008); Murphy and Abeysekera (2008); a (2009); Tilling and Tilt (2010); Farook, Hassan and Lanis (2011); Kuo and Chen (2013); Meng and Tam (2013); Ling and Sultana (2015); Chelli, Richard and Druocher (2014); Sulaiman, Abdullah and Fatima (2014), Laivi and Oobik (2014); Fatima, Abdullah and Sulaiman (2015); Seele and Lock (2015);Cho, Mechelon, Patten and Roberts (2015); Zahller, Arnold and Roberts (2015), Koca-Helvaci (2015) |
| CSR web disclosures   | Cho,Phillips, Hageman and Petten (2009); Del Mar Galvez-Rodriguez, (2014); del Mar Galvez-Rodriquez, Caba-Perez and Lopez-Godoy, 2014   |
| CSR non-monetary disclosures  | Cho and Patten (2007); Dumay, Frost and Beck (2015)   |
| Standalone sustainability reporting   | Huang, Pepper and Bowrey (2014); Thorne, Mahoney and Manetti (2014); Belal and Owen (2015)  |
| Quantitative CSR disclosures  | Cho, Freedman and Patten (2012)   |
| Carbon footprint and greenhouse gas emission type disclosures   | Hrasky (2012); Liesen, Hoepner, Patten and Figge (2015)   |
| Corporate governance/regulation and CSR disclosures   | Khan, Muttakin and Siddiqui (2013), Kent and Zunker (2013); Chang and Watson (2014); Setia, Abhayawansa, Joshi, and Huynh, (2015).  |
| <b>Narrative Based Techniques:</b>  |   |
| Narrative legitimization strategies to change society views   | Archeir, Crawford, Larringa and Husillos (2009); Hahn and Lulfs (2014),   |
| Assertive and Defensive statements  | Ogden and Clarke (2005); Samkin and Schneider (2010)  |
| Legitimizing statements   | Patel and Xavier (2005); Samkin, Allen and Wallace (2010)   |
| Narrative rhetoric/discursive   | Suddaby and Greenwood (2005); Erkama and Vaara (2010); Beelitz and Merkl-Davies (2012); Hasbani and Breton (2013); Joutsenvirta (2013); Vetergaard (2014)   |
| Legitimizing narratives – normalisation, authorisation, moralisation, rationalisation and narritivation | Vaara, Tienari and Laurila (2006)   |
| Risk narrative disclosures  | Hassan (2014)   |
| Religious discourse   | Sidani and Showail (2013)   |

|  |  |
|--|--|
| Legitimizing narrative statements –explain, defend, deny, play down responsibility | Boiral (2015)  |
|  |  |
| <b><i>Other Disclosures:</i></b>   |  |
| Foreign activity disclosures   | Tsang (2001)   |
| Web disclosures  | Breton and Cote (2006); Singh and Point (2009);  |
| Financial reports  | Normand and Wooton (2010)  |
| Narrative – CEO letters  | Jonall and Rimmel (2010)   |
| Photographs  | Samkin, Allen and Wallace ((2010);   |
| Voluntary disclosures  | Watson (2011)  |
| Intellectual capital items   | Oliveira, Rodrigues and Russell (2010); An, Davey and Eggleton (2011); Abhayawansa and Azim (2014) |
| Accounting   | Daniels, Braswell and Beeler (2010)  |
| Annual reports and annual reports awards process                                   | Ryan, Dunstan and Brown (2002); Watts, McNair and Baard (2010)                                     |
| Voluntary risk related disclosures   | Oliveira, Rodrigues and Russell (2011); Oliveira, Rodrigues and Russell (2013)                     |
| Quantifiable performance measures by social enterprises                            | Luke, Barraket and Eversole (2013)   |
| Disclosures of philanthropic donations   | Canny (2014)   |
| Voluntary disclosures  | Conway, O’Keefe and Hrasky (2015)  |

## Appendix D - Examples of Structural and Procedural Based Legitimizing Techniques

| Article   | Legitimation Techniques  |
|---|--|
| Investment in corporate political strategies (CSR based)    | Alkent and Ozer (2014)   |
| Collaboration and cooperative relationships and isomorphism | Fiedler and Deegan (2007); Durocher and Fortin (2010); Huybrechts and Bicholls (2013); Jaumont (2014); Mattingly and Westover (2015); Odafe (2015); Rueeeded and Kreutzer (2015) |
| Cultivating resources                                       | Walker and McCarthy (2010)   |
| Board size and composition                                  | Mohamed, Shaikh, Ho, and Krishnan (2014); Perrault (2015); Perrault and McHugh (2015)  |
| CSR actions   | Woodward, Edwards and Birkin (2001); Panwar, Paul, Bybakk, Hansen and Thompons (2014)  |
| Philanthropic giving  | Chen, Patten and Roberts (2007)  |
| CSR management strategies (conservative vs activist)        | Bessiree and Onnee (2010)  |
| Voluntary codes of conduct and CSR                          | Sarker (2013)  |
| CSR and good corporate governance                           | Aziz, Manab and Othman (2015); Schneider and Scherer (2015)  |
| Environmental management system                             | Taylor, Sulaiman and Sheahan (2011)  |
| Annual reports and annual reports awards process            | Watts, McNair and Baard (2010)   |
| Role of accounting and accounting processes/standards       | Nahapiet (1988); Irvine (2002); Lasmin (2011); Guerreriro, Rodrigues and Craig (2014)  |
| Corporate restructure                                       | Wang (2010)  |
| Structural and control choices                              | Grafton, Abernethy and Lillis (2011)   |
| Audit and legitimating                                      | Cologuhoun (2013)  |
| Associate with existing legitimate structures and symbols   | Dowling and Pfeffer (1975)   |
| Role of accumulated knowledge                               | Beaulieu, Roy and Pasquero (2013)  |
| Internal financial planning and control practices           | Soobaroyen and Sannasee (2007)   |
| Defensive strategies  | Bitektine (2008)   |
| Corporate citizen practices                                 | Cohen and Bronn (2008)   |
| Budget, inspection and PM practices                         | Fowler (2009); Gaspar and Mkasiwa (2015)   |
| Managerial mindset and resource management                  | Bezjian, Holmstrom and Kipley (2009)   |
| Strategies of construing, earning, bargaining and capturing | Reast, Maon, Lindgreen and Vanhamme (2013)   |
| External controls – whistle                                 | Pittroff (2014)  |

|  |                                       |
|--|---------------------------------------|
| blowing system   |                                       |
| Corporate governance initiatives                         | Reddy and Sharma (2014)               |
| Integrated reporting                                     | Bommel (2014)                         |
| Interorganisational information systems                  | Hsu, Lin and Wang (2015)              |
| Accountability   | Geurtsen (2014)                       |
| Management team quality, advisors and developed products | Becker-blease and sohl (2015)         |
| Compliance with accepted expectations based on structure | Stringfellow, Shaw and Maclean (2014) |



## Appendix D(i) - Table of Possible Legitimizing Techniques

| Legitimacy Type  | Legitimacy Scenario  |   |   |
|------------------|--|---|---|
|                  | Gain   | Maintain  | Repair  |
| <b>Pragmatic</b> | <b>Communication – Narrative/Other</b><br>Conform to demands: <ul style="list-style-type: none"> <li>- respond to constituents needs – narratives explaining how addressed constituents needs</li> <li>- build reputation –narratives demonstrating how they are reliable and a good citizen</li> </ul> Advertise: <ul style="list-style-type: none"> <li>- advertise products – narrative advertisements – newspapers/magazines</li> <li>- advertise image – narratives discussion</li> </ul> Select markets: <ul style="list-style-type: none"> <li>- locate friendly audiences– marketing research</li> <li>- recruit friendly co-optees</li> </ul><br><b>Structural/Procedural</b> | Protect exchanges: <ul style="list-style-type: none"> <li>- honest open narratives</li> <li>- stockpile trust – communicate trustworthiness</li> <li>- narrative discussion of</li> </ul><br>Protect exchanges: <ul style="list-style-type: none"> <li>- police reliability using policies and procedures</li> <li>- policy and procedure audit</li> </ul>  | <ul style="list-style-type: none"> <li>- Denials</li> <li>- CSR communications</li> </ul>   |
| <b>Moral</b>     | <b>Communication – Narrative/Other</b><br>Persuade: <ul style="list-style-type: none"> <li>- demonstrate success – accounting evidence</li> <li>- proselytise – convert constituents - assertive narrative statements</li> <li>- narrative persuasion</li> </ul>   | Protect propriety: <ul style="list-style-type: none"> <li>- communicate authoritatively with examples such as accounting evidence</li> <li>- communicate authoritatively – assertive statements</li> <li>- stockpile esteem – narratives highlighting good image</li> <li>- accounting evidence of philanthropic donations/activities</li> </ul><br>Protect assumptions: <ul style="list-style-type: none"> <li>- accounting evidence that accepted image is valid</li> </ul> | Provide accounting evidence to support explanations <ul style="list-style-type: none"> <li>- Quantitative CSR communications</li> <li>- Excuses and justifications</li> <li>- Disassociation</li> <li>- Explanations</li> </ul> |

|                  |   |   |   |
|------------------|---|---|---|
|                  | <b>Structural/Procedural</b><br><br>Standardise new models/structures<br>demonstrate how meet existing<br>legitimate standards<br>Select domain:<br>- implement policies to ensure goals met – accounting<br>goals/principles/mission<br>Conform to ideals:<br>- produce definite outcomes<br>- | Protect propriety:<br>- monitor organisational structure<br>- structural audit and changes<br>- police responsibility -check<br>responsibilities being met – audit<br>Monitor ethics:<br>- consult professions for opinions         | Create policies to police and monitor<br>actions<br>Disassociate:<br>- replace personnel<br>- revise practices<br>Restructure |
| <b>Cognitive</b> | <b>Communication: Narrative/Other</b><br><br><b>Structural/Procedural</b><br>Conform to models:<br>- mimic standards<br>- formalise operations-policies<br>- professionalise operations<br>-<br>Select labels:<br>- seek certification/professional membership and qualifications               | Protect assumptions:<br>- matter-of-factly clear narratives<br><br>Protect assumptions:<br>- police opinions<br>Monitor outlooks:<br>consult doubters Monitor tastes<br>consult opinion leaders through surveys<br>and consultation | Explanations  |

## Appendix E - Examples of Programs Discussed in Media Articles

| Date | Paper          | Article/Event of interest   |
|------|----------------|---|
| 1945 | Argus          | Public notice - Red Cross POW funds   |
| 1944 | Argus          | Reconditioning centre for men run by Red Cross  |
| 1944 | Argus          | Hostel for children of servicemen   |
| 1945 | Various        | X rays by Red Cross for TB  |
| 1945 | Sun            | Temporary home for children when wives of RAAF men are giving birth in hospital                   |
| 1945 | Woman's Weekly | Large article on the work of the Red Cross  |
| 1945 | Various        | Relief for Greece and plight of Greek children  |
| 1946 | Various        | Full page advertisements/pictures of Red Cross  |
| 1947 | Various        | Flood relief for Britain many articles  |
| 1947 | Various        | Red Cross houses for wives of soldiers in Japan   |
| 1947 | Various        | Red Cross nutrition work in schools   |
| 1947 | Various        | Red Cross efforts against TB such as x-ray scheme   |
| 1947 | Various        | Rehabilitation services by Red Cross  |
| 1947 | Various        | Assistance for need and sick at Christmas time  |
| 1948 | Various        | NSW floods  |
| 1948 | Various        | Aid for starving children in Europe   |
| 1948 | Sun            | Aborigines visited by Red Cross to learn craft skills   |
| 1948 | Sun            | Red Cross Food clothing for Britain   |
| 1948 | Various        | bread for hospitals during strike   |
| 1948 | Various        | Building for returned soldiers  |
| 1948 | Various        | Red Cross Occupational Therapy scholarship  |
| 1949 | Argus          | When a digger needs a friend - services provided by Red Cross to ex-servicemen and their families |
| 1949 | Argus          | Red Cross to draft atomic war convention  |
| 1949 | Various        | Home nursing campaign   |
| 1949 | Various        | Aid For NSW flood victims   |
| 1949 | Various        | Calls for volunteers for Red Cross helpers at baby health centres                                 |
| 1949 |                | Red Cross nursery for kids of TB patients at Heidelberg Hospital                                  |
| 1949 | Various        | Red Cross Juniors exhibition  |
| 1950 |                | Funds for Korea - problems in Korea with Korean officials   |
| 1950 |                | Home for disabled servicemen  |
| 1950 |                | Red Cross help with disabled children   |
| 1950 | Various        | Red Cross criticise governments no wheat for India stance   |
| 1950 | Argus          | Red Cross Insulin run   |
| 1950 |                | Aid in Korea  |
| 1952 | Various        | Aid in Korea  |
| 1952 | Herald         | Call for support for Red Cross in funds crisis  |
| 1952 | Various        | March is Red Cross month - appeal stories   |

|      |                      |   |
|------|----------------------|---|
| 1952 | Various              | Kangaroo show fundraiser  |
| 1952 | Various              | Health centre/vitamins for children   |
| 1952 | Various              | Drop Red Cross voluntary services to civilian hospitals   |
| 1953 | Various              | Activities - lunches at school, child care  |
| 1953 | Various              | Work in Malaya  |
| 1953 | Various              | Work in Indo-China  |
| 1954 | Various              | Floods in US; New York  |
| 1954 |                      | NSW Flood assistance  |
| 1955 | Hamilton Spectacular | Community service plan by Red Cross   |
| 1955 | Manangatang Courier  | Red Cross home for polio and spastic patients   |
| 1955 | Various              | Services: books, social services- counselling, housework; library at special school                             |
| 1956 | Various              | Services - housekeepers for families of ex-servicemen; hospital visits  |
| 1956 | Various              | Assistance to Hungary/Vienna; many calls for donations for Hungary  |
| 1956 | Herald               | Red Cross to pay ex-POW's held n Japanese POW camps   |
| 1956 | Various              | Flood relief  |
| 1956 | Various              | Many stories on regional branches   |
| 1956 | Hampton Standard     | Red cross work in allergy clinics   |
| 1956 | Various              | Youth Red Cross   |
| 1956 | Various              | Hungary work  |
| 1957 | Various              | Mexico floods and quake   |
| 1958 | Various              | Increasing stories on first aid programs  |
| 1958 |                      | Assistance for Polish migrants from Skaubryn - sank liner   |
| 1958 | Various              | Small pox epidemic in Pakistan - Red Cross send vaccine   |
| 1960 | Various              | Red Cross help at health centres  |
| 1960 | Various              | Many stories of good results and work by branches and Red Cross in general - a good year                        |
| 1960 | Various              | Red Cross Appeal - 201 639 pounds target - door knock - Red Cross Calling                                       |
| 1960 | Various              | Various on junior Red Cross   |
| 1960 | Various              | Quake in Chile; Tsunami - tidal wave effects Chile, parts of US and Philippines and Japan - Red Cross to assist |
| 1960 | Various              | work with disabled  |
| 1964 | Various              | Australian Jubilee - Red Cross 50 years   |
| 1964 | Various              | Work in NSW floods  |
| 1964 | Various              | Work in Pakistan  |
| 1965 | Various              | Help in Vietnam   |

|      |                    |  |
|------|--------------------|--|
| 1965 | Various            | Bush fire assistance   |
| 1965 | Various            | Junior Red Cross   |
| 1966 | Various            | Bush fire assistance   |
| 1966 | Various            | Flood victim aid - Java  |
| 1967 | Various            | Tassie bush fires  |
| 1968 | Various            | Meals on wheels starts   |
| 1969 | Various            | Bush fires in Lara   |
| 1969 | Various            | Red Cross Calling  |
| 1970 | Ballarat courier   | Service to homebound by Red Cross - library books                |
| 1970 | Yarra Valley News  | Eye testing of children  |
| 1970 | Various            | Plane hijackings - Red Cross delegates in contact with hijackers |
| 1973 | Bendigo Advertiser | Flood assistance - Seymour                                       |
| 1973 | Various            | Drought relief in Africa   |
| 1974 | various            | Tracing in Cyprus after Turkish invasion                         |
| 1974 | various            | red Cross help with search for missing VIC boy                   |
| 1974 | various            | Floods Honduras  |
| 1975 | Various            | Red Cross help Vietnamese orphans brought to Australia           |
| 1976 | various            | Earthquake and tidal wave in manila                              |
| 1977 | various            | Bush fire relief VIC   |
| 1978 | Sunday Press       | Junior Red Cross   |
| 1978 |                    | Music for therapy  |
| 1978 | Various            | Books for Red Cross  |
| 1978 | Various            | Earthquake in Yugoslavia   |
| 1980 | Various            | Calls for volunteers   |
| 1981 | Various            | Earthquake in Teheran  |
| 1981 | Various            | Floods in Italy  |
| 1983 | Various            | VIC bushfires  |
| 1983 | Various            | Local work/branches/ meetings/appeals etc                        |
| 1983 | Various            | regional conferences   |
| 1983 | Various            | Roles in disaster plans  |
| 1983 | Various            | Red Cross youth stories  |
| 1983 | Various            | Celebrating years of service                                     |
| 1985 | Various            | Bush fire appeal   |
| 1985 | Colac Herald       | What is Red Cross Aid with Care                                  |
| 1986 | Inverloch Paper    | Volunteers backbone of Red Cross                                 |
| 1982 | Various            | Lebanon appeal - Israel invasion of Lebanon                      |
| 1982 | Herald             | Red Cross feed firefighters - government won't pay               |
| 1982 | Various            | Aid to hurricane victims in Hawaii                               |
| 1983 | Various            | Ash Wednesday bushfire appeal                                    |
| 1983 | Various            | First aid  |

|      |         |   |
|------|---------|---|
| 1984 | Various | Drought in Ethiopia   |
| 1984 | Various | Typhoon in Philippines  |
| 1985 | Various | Red Cross appeal  |
| 1985 | Various | Cyclone/floods in Bangladesh  |
| 1985 | Various | Beirut massacres  |
| 1985 | Various | Red Cross role in freeing hijack hostages   |
| 1986 | Various | Cyclone in Namu - Solomon Island - appeal   |
| 1986 | Various | Volcano eruption in Cameroon  |
| 1986 | Various | Earthquake in San Salvador  |
| 1986 | Various | Tracing by Red Cross  |
| 1986 | Various | Mozambique Aid  |
| 1986 | Various | NZ Cyclone and floods   |
| 1988 | Various | Famine in Ethiopia  |
| 1988 | Age     | Red Cross splits on Ethiopian aid   |
| 1988 | Various | Turkey flooded by Kurdish refugees  |
| 1988 | Various | First aid courses and OH&S  |
| 1988 | Various | Junior Red Cross  |
| 1988 | Various | Red Cross shops   |
| 1990 | Various | Red Cross assistance with airline disasters   |
| 1989 | Various | 75th anniversary of Red Cross   |
| 1989 | Various | Phone call service  |
| 1990 | Various | international youth camp  |
| 1990 | Various | Home alone publication for safe children  |
| 1990 | Various | Hospital crisis   |
| 1990 | Various | Booklet on making a will  |
| 1991 | Various | Ongoing issues in<br>Timor/Cambodia/Africa/Albania/PNG  |
| 1991 | Various | Israel/Bangladesh cyclone/  |
| 1991 | Various | Iran/Iraq/Kurds   |
| 1991 | Various | Yugoslavia bomb Hungary   |
| 1991 | Various | Flood in China  |
| 1991 | Various | Earthquake in Northern India  |
| 1991 | Various | Wheels on meals   |
| 1991 | Various | Telecross   |
| 1991 | Various | shoes and groceries for families  |
| 1991 | Various | usual fundraising/community appeals/blood<br>appeals/service of volunteers                            |
| 1991 | Various | Shops   |
| 1991 | Various | Ongoing issues in<br>Timor/Cambodia/Africa/Albania/PNG  |
| 1993 | Various | Fundraising/community appeals/blood appeals/service<br>of volunteers                                  |
| 1993 | Various | general activities  |
| 1994 | Various | Fundraising/community appeals/blood appeals/service<br>of volunteers/Red Cross Calling/kayak marathon |

|      |                   |   |
|------|-------------------|---|
| 1994 | Various           | general activities/recognising service/international tracing            |
| 1994 | Various           | Timor   |
| 1994 | Age               | Aftermath of flood and fire   |
| 1994 | Herald Sun        | Farmers miss out on flood funds   |
| 1994 | Australian        | Canberra asked to pay more of NSW fire bill                             |
| 1994 | Various           | Women's rights  |
| 1994 | Various           | domestic/child abuse/mental illness                                     |
| 1994 | Various           | Refugees  |
| 1994 | Herald Sun        | Charity begins by giving  |
| 1994 | Australian        | Red Cross needs to blow trumpet   |
| 1994 | Various           | drought relief  |
| 1995 | Various           | general activities/recognising service/international tracing/ first aid |
| 1996 | Various           | Afghanistan earthquake  |
| 1998 | Various           | Tidal wave PNG  |
| 2002 | Western Tiers TAS | Public Notice of meeting  |
| 2002 | Various           | Voice of Asylum seekers   |
| 2005 | Various           | general activities/recognising service/international tracing/ first aid |
| 2005 | Various           | many articles on Tsunami appeal   |
| 2007 | The Age           | Hotline for Flood victims NSW   |
| 2007 | The Age           | Aid to Tsunami to Indonesia   |
| 2007 | The Age           | Kenya fund  |
| 08   | The Age           | Funds to China Earthquake fund  |
| 08   | The Age           | Aid work in Burma   |
| 2009 | Various           | Many articles on Victorian bushfires                                    |
| 2009 | Various           | IHL Survey by Red Cross "Even wars have laws"                           |
| 2009 | Various           | Technique to Samoa Tsunami  |
| 2009 | Various           | Use of paid marketing firm to collect donations                         |
| 2009 | Various           | Haitian earthquake  |
| 2009 | Various           | Pakistan flood appeal   |
| 2010 | Various           | Role with asylum seekers  |
| 2011 | Various           | Qld flood appeal  |
| 2013 | Various           | Call for donors   |
| 2015 | Various           | Nepal earthquake  |

## Appendix F - Fundraising and Calls for Support of Volunteers/Members

| Date | Paper          | Article/Event of interest  |
|------|----------------|--|
| 1945 | Argus          | Public notice - Red Cross POW funds  |
| 1948 |                | Assorted fundraisers - raffle of house, Gala, dolls,                             |
| 1948 | 23/02/1949     | Red Cross SOS for funds if services to continue call to raise 100 000 pounds     |
| 1949 | Herald         | Red Cross need 42 000 pounds per year for convalescent homes                     |
| 1949 | Various        | Various dances and fundraisers   |
|      | Various        | Calls for donations to Red Cross; funds needed urgently; threat of retrenchments |
| 1949 | Various        | Calls for blood and volunteers   |
| 1949 | Various        | Calls for volunteers for red cross helpers at baby health centres                |
| 1950 | Various        | Many articles on continued appeal for 100 000 pounds                             |
| 1950 | Various        | Red Cross appeal - aim for 100 000 pounds  |
| 1950 | Various        | Button Day   |
| 1950 | Various        | Red Cross Fair   |
| 1950 | Various        | Red Cross Sunday   |
| 1951 | Various        | Cuts to civilian services  |
| 1951 | Various        | Calls for members  |
| 1952 | Various        | Red Cross appeal and fundraising   |
| 1952 | Herald         | Call for support for Red Cross in funds crisis                                   |
| 1952 | Various        | March is Red Cross month - appeal stories  |
| 1952 | Casselton News | Red Cross badly in need of funds   |
| 1952 | Various        | Red Cross badly in need of funds   |
| 1952 | Various        | Radio appeal for Red Cross   |
| 1952 | Various        | Kangaroo show fundraiser   |
| 1952 |                | Call for members and blood donors  |
| 1952 | Herald         | Politics threaten Red Cross-Russian activities                                   |
| 1952 |                | Drop Red Cross voluntary services to civilian hospitals                          |
| 1952 |                | Fundraisers - daffodil sale, car raffle  |
| 1952 | Various        | Red Cross crisis talks; restrictions on services                                 |
| 1952 |                | Red Cross deficit; government to help  |
| 1952 |                | March appeal-aiming for 150 000 pounds   |
| 1952 |                | Many large advertising to keep Red Cross afloat                                  |
| 1952 |                | Button day record  |
| 1953 | Argus          | Red Cross year ends in surplus   |
| 1953 |                | Annual ball  |
| 1953 |                | Drive for members  |
| 1954 |                | Red Cross advertisements for funds - Red Cross calling month                     |



|        |                |   |
|--------|----------------|---|
| 1954   |                | Car raffle  |
| 1954   | Various        | Fundraising; Ball; store  |
| 1954   | Various        | Red Cross Sunday  |
| 1954   | Weekly Times   | Surpass fundraising target for first time since war   |
| 1955   | Herald         | change in legislation on sale of second hand good and jumble sale fundraiser effects  |
| 1955   | Various        | Red Cross 160 000 pounds appeal launch continued despite flood appeal   |
| 1955   | Various        | March Red Cross appeal - call for 160 000 pounds  |
| 1955   | Various        | Call for member, volunteers, blood  |
| 1956   |                | Red Cross appeal  |
|        |                | Red Cross appeal for 160 000 pounds   |
| 1957   | Various        | Red Cross annual appeal - need 196 000 pounds   |
|        |                | Red Cross March   |
| 1956   | Age            | Stricter control of raffles has raised more   |
|        | Various        | Red Cross Appeal/button day   |
| 1956   | Various        | Red Cross Appeal for 200 000 pounds - many articles and advertisements  |
| 1958   | Various        | Red Cross member drive  |
| 1959   | Various        | Many stories on fundraising by branches   |
| 1959   | Various        | Red Cross Appeal - 180 789 pounds needed to continue services - door knock - Red Cross Calling  |
| 1960   | Various        | Red Cross Appeal - 201 639 pounds target - door knock - Red Cross Calling   |
| 1960   |                | Door knock a huge success   |
| 1960   |                | Red Cross envelopes   |
| 1960   |                | Red Cross Appeal - door knock - Red Cross Calling - articles and advertisements - need 180789 pounds to cover work and extend country work' |
| 1960   |                | Red Cross Sunday  |
| 1964   | ??             | Red Cross strong - increasing membership  |
| 1966   | Various        | Red Cross Calling   |
| 1967   | Various        | Red Cross Calling   |
| 1968   |                | Branch fundraising  |
| 1968   | Various        | Red Cross Calling   |
| 191968 | Oakleigh Times | Doorknock vote by council   |
| 1969   | Various        | Red Cross Calling   |
| 1970   | Various        | Door knock appeal   |
| 1971   | Various        | Red Cross calling and various fundraising call for \$600 000  |
| 1971   | Various        | Calls for volunteers  |

|        |                    |   |
|--------|--------------------|---|
| 1970   | Age                | Red Cross aid frozen  |
| 1971   | Various            | Red Cross appeal  |
| 1971   | Herald             | Red Cross needs money   |
| 1972   | Herald             | Red Cross asks for help - short funds   |
| 1973   | various            | Red Cross appeal  |
| 1973   | various            | Blood banks/appeals   |
| 1974   | Torquay News       | Where does donated money go   |
| 1975   | Bendigo Advertiser | Red Cross appeal exceeds \$500 000  |
| 1977   | various            | Red Cross appeal  |
| 1978   | various            | Red Cross appeal  |
| 1979   | various            | Seeking door knockers   |
| 191978 | The Age            | Red Cross wounded by money crisis   |
| 1978   | Various            | Red Cross appeal  |
| 1978   | The Age            | Appeal passed \$1 million mark  |
| 1979   | Various            | Red Cross appeal  |
| 1979   | Various            | Various fundraisers   |
| 1980   | Various            | Red Cross appeal  |
| 1982   | Various            | Red Cross Appeal  |
| 1982   | Devonport Advocate | Call for young members  |
| 1983   | Various            | Red Cross Appeal - aim for \$2.3 million  |
| 1983   |                    | Great Aussie run appeal   |
| 1983   | Various            | Bush fire appeal  |
| 1986   | Inverloch Paper    | Volunteers backbone of Red Cross  |
| 1980   |                    | Calls for volunteers  |
| 1983   | Various            | Ash Wednesday bushfire appeal   |
| 1985   | Various            | Red Cross appeal  |
| 1986   | Various            | Red Cross appeal  |
| 1988   | Various            | Red Cross appeal  |
| 1990   | Various            | Call for volunteer drivers  |
| 1991   | Various            | Aid agencies see no sign of donor fatigue   |
| 1991   | Various            | Defending tin rattles   |
| 1991   | Various            | Red Cross calling/shops/  |
| 1993   | Various            | usual fundraising/community appeals/blood appeals/service of volunteers   |
| 1994   | Various            | Many articles on fundraising/community appeals/blood appeals/service of volunteers/Red Cross Calling/kayak marathon |
| 1994   | Herald Sun         | Farmers miss out on flood funds   |
| 1994   | Australian         | Canberra asked to pay more of NSW fire bill   |

|        |                     |  |
|--------|---------------------|--|
| 1994   | Various             | Various articles on fundraising/community appeals/blood appeals/service of volunteers/Red Cross Calling/kayak marathon |
| 1994   | Herald Sun          | Charity begins by giving   |
| 1995   | Various             | usual fundraising/community appeals/blood appeals/service of volunteers/Red Cross Calling/kayak marathon               |
| 1995   | Gold Coast Bulletin | Fundraisers feel the pinch   |
| 1995   | Various             | various fundraising; desperate and dateless ball   |
| 1998   | Mercury             | call for more funds for PNG and deny allegations of poor organisation  |
| 2002   | Illawarra Mercury   | Red Cross Calling appeal   |
| 2005   | Various             | Various fundraising/community appeals/blood appeals/service of volunteers/Red Cross Calling/kayak marathon             |
| 2005   | Bayside leader      | Tsunami dampens Red Cross appeal result  |
|        | Various             | many articles on Tsunami appeal  |
| 2007   | The Age             | Aid to Tsunami to Indonesia  |
| 2007   | The Age             | Kenya fund   |
| 2008   | The Age             | Funds to China Earthquake fund   |
| 2008   | The Age             | Aid work in Burma  |
| 2008   | Various             | Starving in Bangladesh - assistance  |
| 2008   | Various             | Average donations dropped  |
| 2009   | The Age             | Article of Victorian Bushfires - unions contribution to ARC Bushfire fund  |
| 2009   | Various             | Various articles on fundraising for bushfire appeal including concert  |
| 2009   | Various             | Charities feel money squeeze with Global financial crisis and Bushfire appeal  |
| Aug-09 | Various             | Government give \$37 boost to charities to assist with surviving the GFC   |
| 2009   | Various             | Use of paid marketing firm to collect donations  |
|        | Various             | Qld flood appeal   |
| 2013   | Various             | Call for donors  |
| 2014   | Various             | ARC donates 100 years of Red Cross items to University of Melbourne Archives   |
| 2014   | Various             | Articles on 100 year celebrations of ARC   |
| 2015   | Various             | Nepal earthquake fund  |

## Appendix G - Role of the Red Cross – Need for the Australian Red Cross

| Date | Paper                        | Article/Event of interest   |
|------|------------------------------|---|
| 1945 | Herald                       | Red Cross to work in peace times  |
| 1945 | Woman's Weekly               | Large article on the work of the Red Cross  |
| 1946 | Herald                       | Reforms to Red Cross - ideas needed   |
| 1946 | Argus                        | Peacetime work of Red Cross - need for funds  |
| 1946 | Various                      | Need for Red Cross, fund/asset related articles   |
|      |                              | Peacetime work of Red Cross - need for funds  |
| 1946 | Various                      | Full page advertisements/pictures of Red Cross  |
| 1948 | Herald                       | Red Cross in time of peace  |
| 1948 | Sun Morning Herald           | Interest in Red Cross wanes in peace time   |
| 1948 | Various                      | Red Cross SOS for funds if services to continue<br>call to raise 100 000 pounds                         |
| 1949 | Herald                       | Red Cross need 42 000 pounds per year for<br>convalescent homes   |
| 1949 | Argus / Women's<br>Magazines | Why we need the Red Cross   |
| 1949 |                              | When a digger needs a friend - services<br>provided by Red Cross to ex-servicemen and<br>their families |
| 199  | Various                      | Calls for donations to Red Cross; funds needed<br>urgently; threat of retrenchments                     |
| 1950 | Argus                        | New book on the Red Cross: Red Cross<br>Yesterdays by Philadelphia N Robertson                          |
| 1951 | Various                      | Cuts to civilian services   |
| 1951 |                              | Calls for members   |
| 1952 | Herald                       | Call for support for Red Cross in funds crisis  |
| 1952 | Cassellton News              | Red Cross badly in need of funds  |
| 1952 | Various                      | Call for members and blood donors   |
| 1952 | Various                      | Drop Red Cross voluntary services to civilian<br>hospitals  |
| 1952 | Various                      | Red Cross crisis talks; restrictions on services  |
| 1952 | Various                      | Red Cross deficit; government to help   |
| 1952 | Various                      | Many large advertisements discussing need to<br>keep Red Cross afloat                                   |
| 1952 | Various                      | Drive for members   |
|      | Various                      | Fundraising; Ball; store  |
| 1954 | The Leader                   | Peacetime work of the Red Cross   |
| 1954 | Various                      | 40 year anniversary   |
| 1954 | Weekly Times                 | Surpass fundraising target for first time since<br>war  |
| 1955 | Hamilton Spectacular         | Community service plan by Red Cross   |

|      |                    |   |
|------|--------------------|---|
| 1955 | Various            | Call for members, volunteers, blood   |
| 1956 | Various            | Services - housekeepers for families of ex-servicemen; hospital visits  |
| 1956 | Age                | Peacetime tasks for Red Cross   |
|      |                    | Red Cross appeal for 160 000 pounds   |
| 1957 | Herald             | Red Cross in time of peace  |
| 1959 | Various            | Many stories on fundraising by branches   |
| 1959 |                    | Services by Red Cross Threatened  |
| 1960 | Various            | Red Cross Appeal - 180 789 pounds needed to continue services   |
| 1960 | Various            | Various on junior Red Cross   |
| 1960 | Various            | Red Cross Appeal - door knock - Red Cross Calling - articles and advertisements - need 180789 pounds to cover work and extend country work' |
| 1964 | Unlabelled         | Red Cross strong - increasing membership  |
| 1964 |                    | Junior Red Cross  |
| 1969 |                    | Moves to create new sub-division of Red Cross   |
| 1970 | various            | Possible division of Red Cross regions in VIC   |
| 1970 | Age                | Red Cross aid frozen  |
| 1971 | The Sun            | Red Cross taken for granted in Australia  |
| 1971 | Herald             | Red Cross needs money   |
| 1971 | Herald             | Refugees flee war in Pakistan to face cyclone   |
| 1972 | Age                | Red Cross a force for peace   |
| 1972 | Herald             | Red Cross asks for help - short funds   |
| 1974 | various            | 60th Birthday Red Cross   |
| 1978 | The Age            | Red Cross wounded by money crisis   |
| 1978 | Sunday Press       | Junior Red Cross  |
| 1982 | Devonport Advocate | Call for young members  |
| 1982 | Chronicle Despatch | Changes in regional boundaries  |
| 1983 |                    | Celebrating years of service  |
| 1984 | Regional News      | Exhibit of 80 yrs. service  |
| 1994 | Australian         | Red Cross needs to blow trumpet   |
| 2014 | Various            | Articles on 100 year celebrations of ARC  |

## Appendix H - Blood Transfusion Services

| Date | Paper         | Article/Event of interest   |
|------|---------------|---|
| 1946 | Herald        | Doctors' fees for blood transfusions  |
| 1946 | Various       | Various articles and adverts for blood                                      |
| 1946 | Various       | appeals for blood   |
| 1946 | Herald        | Coroner's report on girl died falling down stairs after giving blood        |
| 1946 | Various       | Rest period for donors  |
| 1947 | Age           | National blood service call   |
| 1947 | Truth         | Black market in human blood   |
| 1948 | Various       | Blood drives  |
| 1948 | Various       | VIC State Government grants 10 000 pounds to blood bank                     |
| 1950 | Argus         | Blood banks to be subsidised  |
| 1951 | Various       | Blood donor drive   |
| 1952 | Various       | Call for blood donations  |
| 1952 | Various       | Blood service in crisis- call for Commonwealth to bear expenses             |
| 1954 | Various       | Two die after blood transfusion   |
| 1954 | Various       | Calls for blood   |
| 1954 | Various       | Blood bank stories-hike to donate; dash to save life; babies saved by blood |
| 1954 | Herald        | Tasmanian family sue Red Cross and RHH for 100 000 pounds damages           |
| 1954 | Argus         | Blood donors run no risk  |
| 1954 | Various       | Transfusion machine patent and rights given by doctor to Army               |
| 1954 | Various       | donations; books, bloods  |
| 1954 | Various       | substitute blood  |
| 1956 | Various       | Calls for blood   |
| 1956 | Various       | Man dies from wrong blood   |
| 1956 |               | Blood appeals   |
| 1956 | Various       | Plans for new 250 000 pound blood bank                                      |
| 1957 | Age           | Mother dies from blood group error  |
| 1957 | Various       | Mother dies from blood group error  |
| 1957 |               | Blood donations calls   |
| 1957 | Various       | Call for blood - blood donor badges - increasing articles on need for blood |
| 1957 | Albury Border | Issues over storage of blood - branch at Albury suspended                   |
| 1958 | Sun           | Girl dies after blood transfusion   |
| 1958 | Various       | Many stories on blood donors and use of blood to save lives                 |
| 1959 | Various       | Blood donor calls   |

|           |                  |   |
|-----------|------------------|---|
| 1960      | Age              | Parents refuse blood for child - child made ward of state               |
| 1960      | Various          | Blood saving lives  |
| 1960      | Various          | Malaria transmitted through blood transfusions                          |
| 1961      | Herald           | Blood plasma poisoned in Milan  |
| 1961      | Various          | Wrong blood transfusion man dies  |
| 1964      | Various          | Call for blood donors   |
| 1966      | Various          | Calls for blood   |
| 1968      | Various          | Calls for blood   |
| 1971      | Various          | Calls for donations of money and blood                                  |
| 1971      | Various          | Calls for donations of money and blood                                  |
| 1973      | Various          | Blood banks/appeals   |
| 1977/1978 | Various articles | Calls for donations and regarding blood services                        |
| 1978      | Various          | Calls for blood   |
| 1978      | Herald           | Blood stores destroyed at fire at ice works stored at                   |
| 1979      | The Age          | Red Cross criticised over white cell donors                             |
| 1981      | Various          | Blood shortage calls for donations                                      |
| 1983      | Various          | Blood bank stories  |
| 1980      | The Journal      | Two hour wait to give blood, calls to improve mobile blood bank service |
| 1980      | Various          | Flu hits blood stocks   |
| 1980      | Various          | Calls for volunteers  |
| 1980      | Various          | Flu hits blood stocks   |
| 1983      | The Australian   | Disease fear leads Red Cross to ban gay donors                          |
| 1983      | Various          | Many articles on gay ban on donating blood due to AIDS                  |
| 1983      | Various          | Many articles on aids and blood donations                               |
| 1983      | Sun              | Blood bank payroll robbed   |
| 1984      | Australian       | 44 patients given AIDS contaminated blood                               |
| 1984      | various          | many articles on AIDS contaminated blood and blood screening            |
| 1984      | Sun              | Blood bank picketed in pay/union dispute                                |
| 1984      | Various          | many articles on union/pay dispute at blood bank                        |
| 1984      | Various          | Many articles on blood shortages and AIDS scare                         |
| 1984      | Various          | Homosexuals banned from donating blood in Victoria                      |
| 1985      | Various          | Calls for blood donors  |
| 1986      | Herald           | AIDS blood tests lead to wastage  |
| 1986      | Herald           | AIDS victims plan to sue blood bank                                     |
| 1987      | various          | Calls for blood donations   |
| 1988      | Herald           | AIDS nearly broke the blood bank  |
| 1989      | Herald           | ADIS issues need thought  |
| 1989      | Various          | Call for blood/ picture of people giving blood                          |
| 1989      | Various          | Bone marrow donations   |

|         |                       |  |
|---------|-----------------------|--|
| 1990/91 | Various               | Continuing articles on claims for compensation from AIDS victims from blood transfusions |
| 1991    | Various               | Downturn in donations, calls for blood   |
| 1991    | Various               | Bone marrow transplant calls   |
| 1991    | Various               | Girl 7 - Holly dies from AIDS from mother who got AIDS from blood                        |
| 1991    | Weekend Australian    | Complaints on screening process  |
| 1991    | Age                   | WA government pays \$5.4m compensation to medically acquired HIV sufferers               |
| 1991    | Sunday Age            | bone marrow transplant stories   |
| 1991    | Age                   | AID compensation stories continue  |
| 1991    | Herald                | Advertisement/notice by Red Cross on HIV and blood bank                                  |
| 1993    | Various               | Blood bank ads/calls for donations/shortages   |
| 1993    | Various               | New Blood bank   |
| 1993    |                       |  |
| 1993    | Various               | bloods bank ads and articles   |
| 1994    | Various               | bloods bank ads and articles   |
| 1994    | Herald Sun            | Donor disease hits hundreds - Hep C  |
| 1994    | various               | Hep C and blood issue  |
| 1994    | Age                   | Medicare review for patients wishing to donate own blood before surgery                  |
| 1994    | Various               | teenage boys with AIDS from blood get compensation                                       |
| 1995    | Various               | Red Cross sued for Hep C in bloods   |
| 1995    | Sydney Morning Herald | CJD risk cuts blood donor category   |
| 1995    | Various               | many articles on blood bank shortage in VIC and NSW                                      |
| 1995    | Various               | leaky blood bag issue  |
| 1995    | Various               | Canadian blood disease scare   |
| 1994    | Various               | bloods bank ads and articles   |
| 1994    | Herald Sun            | Donor disease hits hundreds - Hep C  |
| 1994    | various               | Hep C and blood issue  |
| 1998    | Sydney morning Herald | Blood bank merger to ease city shortages   |
| 1998    | Sydney Morning Herald | Red Cross considering charging for blood   |
| 1995    | Various               | Red Cross sued for Hep C in bloods   |
| 1998    | Sydney morning Herald | Blood bank merger to ease city shortages   |
| 1998    | Sydney Morning Herald | Red Cross considering charging for blood   |
| 1998    | Sydney morning Herald | Blood bank merger to ease city shortages   |
| 1998    | Sydney Morning        | Red Cross considering charging for blood   |



|      |                       |   |
|------|-----------------------|---|
|      | Herald                |   |
| 2001 | Various               | Call for blood donations  |
| 2003 | Sydney Morning Herald | Tainted blood   |
| 2005 | various               | closure of bloods banks   |
| 2005 | Bendigo Advertiser    | Blood bank help axed- volunteers to go  |
| 2005 |                       | bloods bank ads and articles  |
| 2007 |                       | Relocation of blood services Sydney   |
| 2007 | The Age               | Need for blood donations to double in next 10 years   |
| 2007 | The Age               | Extension of blood shelf life   |
| 2008 | The Age               | Blood stocks low  |
| 2008 | The Age               | Homosexual man events Red Cross donation rules at Anti-Discrimination Tribunal Tasmania       |
| 2008 | Various               | Government donation to Caribbean storm fund distributed through the ARC                       |
| 2008 | Various               | Urgent call for more donations  |
| 2008 | Various               | Urgent call for more donations  |
| 2009 | The Age               | Public rush to donate blood after call for blood needed for bushfire victims                  |
| 2009 | Various               | Blood donors returning from Mexico have to wait to donate due to risk of swine flu            |
| 2009 | Various               | Shark bite victim gives thanks to Red Cross for blood donation                                |
| 2009 | Various               | Calls for blood donations   |
| 2009 | Various               | Red Cross aiming to collect blood from more ethnic groups to increase overall blood donations |
| 2010 | Various               | ARC place two year ban on those who have had Chronic Fatigue giving blood                     |
| 2010 | Various               | Heating at one of the blood services failed and 100 samples had to be tested to ensure ok     |
| 2010 | Various               | Low blood supplies in NSW   |
| 2011 | Various               | Air ambulances to carry blood   |
| 2012 | Various               | Contaminated blood recalled blood used in intensive care                                      |
| 2015 | Various               | Calls for Canberra residents to donate plasma   |

## Appendix I - Possible Legitimacy Events

| Date | Paper                     | Article/Event of interest  |
|------|---------------------------|--|
| 1945 | Herald                    | Red Cross used to cover up Nazi group  |
| 1945 | Sun                       | Red Cross parcels for sick servicewomen looted   |
| 1946 | Herald                    | Wind up patriotic funds, restrictions on use of funds  |
| 1946 | Various                   | Criticisms of Red Cross by NZ brides   |
| 1946 | Sun                       | Call for national basis for Red Cross  |
| 1947 | Truth                     | Black market in human blood  |
| 1947 | Various                   | Tax decision and parcel problems   |
| 1947 | Herald                    | Man alleged sold false Red Cross raffle tickets  |
| 1948 | Argus                     | Red Cross revenue down by half - talk of retrenchments and possible effects on services to civilians to go before cutting those to ex-servicemen |
| 1948 | Various                   | Possible cuts to Red Cross services  |
| 1952 | Sun                       | Theft charges from Red Cross   |
| 1952 | Bairnsdale Advertiser     | Administration is a complex task for the Red Cross Society   |
| 1953 | Coburg Courier            | Charity auction scam   |
| 1955 | Various                   | Charities victim of advertising sharks   |
| 1958 | Camberwell/Progress Press | Car raffle ban   |
| 1958 | Sun                       | Scam - begging letters from Hungary  |
| 1958 | Age                       | Raffle abuses under quiz system  |
| 1961 | Age                       | Door knock appeals overdone?   |
| 1961 | Various                   | Calls to abolish door knock  |
| 1962 | Times Prahran             | New by-law to control doorknockers   |
| 1962 | Herald                    | Hawthorn bans collection by charities without consent  |
| 1974 | Sun                       | Tax plans may hit schools/ charities   |
| 1979 | Chadstone Progress        | Doorknockers for individual charities banned in Oakleigh   |
| 1982 | The Standard Times        | Value of street appeals queried  |
| 1982 | Australian                | Red Cross refuses to question captain on behalf of foreign ministry  |
| 1983 | The Chronicle             | Cat food for fire victims story slammed  |
| 1983 | Age                       | Youth refuge staff angry at Red Cross evictions of squatter  |
| 1983 | Various                   | Issue of squatters at Red Cross Stanhope mansion   |
| 1963 | Various                   | Calls for united charity funds/more criticism of door knock  |
| 1983 | Weekend Australian        | Charity money use evaluation   |
| 1982 | Age                       | Doorknock losses over councils refusal to allow doorknock  |
| 1984 | Sun                       | Charities benevolent or bogus?   |
| 1985 | Dandenong News            | Red Cross low administration costs   |
| 1985 | The Advertiser            | Appeal that never was - no appeal for Maryborough  |

|       |                                |  |
|-------|--------------------------------|--|
|       |                                | bushfires - aborted appeal   |
| 1987  | Herald                         | Government shake-up for charity rules                                    |
| 1988  | Weekend Australian             | Ash Wednesday fire compo to be paid soon                                 |
| 1985  | Unlabelled                     | Red Cross in Australia lags behind other countries in use of helicopters |
| 1987  | Bairnsdale Advertiser          | Red Cross image of always being there                                    |
| 1987  | South Gippsland Sentinel Times | Row over pensioners transport with taxi service and Red Cross            |
| 1988  | Bendigo Advertiser             | Warning on use of red Cross symbol'                                      |
| 1990  | Tempo                          | Article on charities and financial burden of activities                  |
| 1990  | Age                            | Mayor of San Francisco accused US Red Cross of profiting from earthquake |
| 1990  | Various                        | Red Cross admit benefited from earthquake fund                           |
| 1990  | Sun                            | Aid men on plane fraud counts - charged Red Cross for services           |
| 1990  | Various                        | On plane fraud case  |
| 1991  | The Age                        | Need for aid stretches welfare groups                                    |
| 1991  | Sunday Sun                     | Charities  |
| 1990  | Age                            | State Spastic society cuts   |
| 1990  | Sun                            | Salvos seek \$1m bailout   |
| 1991  | Various                        | Charity tax law outmoded   |
| 1991  | Various                        | Most charities do not pay collectors                                     |
| 1991  | Age                            | Charities being used in tax rort   |
| 1991  | Weekend Australian             | Attitude to charity is hardening   |
| 1991  | Unlabelled                     | Charity scam alert   |
| 1991  | Herald Sun                     | Question when donating   |
| /1991 | Weekend Australian             | Stories on donating/calls for donations                                  |
| 1991  | Various                        | Police search for missing charity money - bogus charity scam             |
| 1991  | Herald Sun                     | RSPCA sacking  |
| 1991  | Australian                     | Call for review of aid body funding                                      |
| 1991  | Various                        | Former MP quite CARE Australia group over excessive salaries             |
| 1991  | Herald Sun                     | Welfare wages high   |
| 1991  | Australian scout               | mis-use of Red Cross emblem  |
| 1991  | Various                        | local assistance for those hit by recession - ie: food kitchens          |
| 1991  | Various                        | Open family group may close its doors                                    |
| 1991  | Herald Sun                     | RSPCA sacking  |
| 1991  | Australian                     | Call for review of aid body funding                                      |
| 1991  | Various                        | Former MP quite Care Australia group over excessive salaries             |
| 1991  | Herald Sun                     | Welfare wages high   |
| 1992  | various                        | Tin rattlers to go ahead   |

|      |                        |   |
|------|------------------------|---|
| 1992 | Herald Sun             | Fundraising costs   |
| 1992 | Herald Sun             | Concern of political figure to head of Red Cross                |
| 1993 | Various                | Welfare cuts/jobless/increase in domestic violence              |
| 1993 | Various                | child abuse issues  |
| 1993 | Various                | Charity warns of bogus collectors                               |
| 1994 | Various                | Boat people treatment   |
| 1994 | Sydney Morning Herald  | Volunteer pool, drying up                                       |
| 1994 | Sydney Morning Herald  | Charities must carry another cross - Federal Government inquiry |
| 1994 | Sydney Morning Herald  | Tax deductibility of donations                                  |
| 1994 | Telegraph Mirror       | Dilemma of money to burn - NSW bushfire fund                    |
| 1994 | Herald Sun             | Red Cross raises its profile                                    |
| 1994 | Business Review Weekly | Charities start to lift their game                              |
| 1994 | Telegraph Mirror (NSW) | Charities will win in gaming law revision                       |
| 1994 | NT News                | Dog worries hit Red Cross Knock                                 |
| 1994 | Age                    | Government waned on charity rules                               |
| 1994 | Herald Sun             | Charity threat - new industrial laws                            |
|      |                        | increasing debate on inadequacy of our foreign aid              |
| 1994 | Age                    | Charity funds sliding   |
| 1994 | Financial Review       | ASC gives charitable groups investment plan break               |
| 1994 | Courier Mail (QLD)     | Warning on bogus charity collectors                             |
| 1994 | Australian             | Black charity faces probe in \$3.2 funding                      |
| 1994 | Telegraph Mirror       | Aid regulations a mish mash                                     |
|      | various                | ongoing Hep C issues, claims for compensation                   |
| 1994 | Financial Review       | Taxing the weight of charities                                  |
| 1994 | Mercury                | Welfare groups in disastrous funds shortfall                    |
| 1994 | Age                    | Red Cross defends Rwanda appeal profits                         |
| 1994 | Various                | council clamps down on charity bins                             |
| 1994 | Herald Sun             | Tax deductibility of donations                                  |
| 1994 | Age                    | Charities hit by huge leap in demand                            |
| 1994 | Bulletin               | Who gets your aid money?  |
| 1994 | Age                    | Inquiry takes charitable view of bean counting practices        |
| 1994 | various                | Charity inquiry report and overhaul needed                      |
| 1994 | Herald Sun             | flood funds deficit anger                                       |
| 1994 | Courier Mail           | The many benefits and costs of charity                          |
| 1994 |                        | costs of dumping poor clothing                                  |
| 1994 | Age                    | Donating to tax in will - CGT                                   |
| 1994 | Wes Australian         | Charities in cash crisis  |
| 1994 | Herald Sun             | Where charity begins  |
| 1994 | Age                    | Charity inquiry back incentives                                 |

|      |                             |   |
|------|-----------------------------|---|
| 1995 | Courier Mail (Bris)         | Charities warned to obtain investment scheme exempt status    |
| 1995 | Border Mail                 | Charities too tied to public money                            |
| 1995 | Financial Review            | Value from our charity dollar                                 |
| 1995 | The Australian              | Striking a balance on charities                               |
| 1995 | The Australian              | Inquiry into Care funding scandal                             |
| 1995 | Various                     | Claims against Care Australia                                 |
| 1995 | The Australian              | Amnesty pays officials private school fees                    |
| 1995 | The Australian              | Money doesn't always get there: whistle-blower                |
| 1995 | The Age                     | Code of conduct urged for aid organisations                   |
| 1995 | Australian Business monthly | Charity really means business                                 |
| 1995 | Daily Telegraph Mirror      | Aid groups face code of conduct                               |
| 1995 | The Age                     | Handle with Care  |
| 1995 | The Australian              | Inquiry into Care funding scandal                             |
| 1995 | Various                     | Many articles on scandal                                      |
| 1995 | Canberra Times              | Code of conduct vital   |
| 1995 | Various                     | many articles on need for code of conduct for charities       |
| 1995 | Financial Review            | Fraser backs plan to tie aid and ethics code                  |
| 1995 | Financial Review            | A new look at the aid game                                    |
| 1995 | Australian                  | Aid agencies need the public's trust                          |
| 1995 | Australian                  | Answers vital for aid's sake                                  |
| 1995 | Daily Telegraph Mirror      | CARE hits back at outrage                                     |
| 1995 | Daily Telegraph Mirror      | A crisis in CARE  |
| 1995 | Telegraph                   | Red Cross complaints  |
| 1995 | Age                         | Ideological feud splits catholic charity - Vinnie's           |
| 1995 | Various                     | Vinnie's funding scandal                                      |
| 1995 | Weekend Australian          | Admin costs 10pc  |
| 1995 | Adelaide Advertiser         | Action on child doorknocking                                  |
| 1995 | Various                     | continuing articles on CARE scandal and CARE to sue Channel 9 |
| 1995 | The Australian              | Inquiry by Industry Commission on charities                   |
| 1995 | Mercury                     | Unicef staff charged with fraud                               |
| 1995 | Herald                      | The aid money trail   |
| 1995 | Canberra Times              | Dishonour: the price NGOs pay for keeping quit                |
| 1995 | Herald Sun                  | Government to push ahead with Charity code                    |
| 1995 | Advocate                    | Criticism on MS Society                                       |
| 1995 | Herald Sun                  | Collection rule hurts   |
| 1995 | Financial Review            | Taking care of charity  |
| 1995 | Australian                  | Scrutiny of aid agencies tougher - Red Cross                  |
| 1995 | Examiner                    | Tough battleground in war for charity dollar                  |

|      |                         |   |
|------|-------------------------|---|
| 1995 | Financial Review        | Balancing shareholders needs against corporate philanthropy |
| 1995 | Financial Review        | CARE and audit facts  |
| 1995 | various                 | many articles on street kids ads                            |
| 1995 | Sunday Mail (Adel)      | Shake-up for charities                                      |
| 1995 | Various                 | Red Cross to update its charter                             |
| 1995 | Various                 | CARR audit shows misuse                                     |
| 1995 | Various                 | CARE donations down, cut backs of staff                     |
| 1995 | The Guardian (VIC)      | Welfare slashed - Salvation Army struggling to fee needy    |
| 1995 | Sydney Morning Herald   | Taxing charity report                                       |
| 1995 | Business Review Weekly  | Non-profit accounting                                       |
| 1995 | Sydney Morning Herald   | Charity GST a threat to the social fabric                   |
| 1995 | West Australian         | Charities to stay tax free                                  |
| 1995 | Courier Mail            | Donations face tax axe - not to be tax deductible           |
| 1995 | various                 | Charities to stay tax exempt                                |
| 1995 | Traralgon Journal       | Breakfast club  |
| 1995 | various                 | yoghurt for blood donors                                    |
| 1995 | Gold Coast Bulletin     | Cash scam doorknockers pretending to be Red Cross           |
| 1995 | Adelaide Advertiser     | SA crackdown on young charity collectors                    |
| 1995 | various                 | stories on heart disease                                    |
| 1995 | Canberra Times          | Charities on hit list                                       |
| 1995 | Canberra Times          | Corporate cash helps Christmas charity demand               |
| 1995 | various                 | gambling problems and assistance                            |
| 1995 | New Accountant          | Taking Stock of Charities                                   |
| 1995 | West Australian         | Charities feel the pinch                                    |
| 1995 | Ringwood Mail           | More seek help  |
| 1995 | The Age                 | Charities cry out for donations                             |
| 1995 | Ballarat Courier        | Charities may be forced to turn away families               |
| 1995 | Sydney Morning Herald   | Charity now begins with a big database                      |
| 1996 | Canberra Times          | Charities to get licences in Adelaide                       |
| 1996 | Sunday Telegraph        | Children's clothing crisis                                  |
| 1996 | Moonee Valley Gazette   | Red Cross warning on bogus collector                        |
| 1996 | Ararat Advertiser       | Warning on fun-raising scam                                 |
| 1996 | Various                 | Floods in NT  |
| 1996 | Various                 | bogus charity collectors                                    |
| 1998 | Northern Territory news | Thief grabs flood appeal donations                          |
| 1998 | Mandurah Coastal Times  | funding cuts threaten transport service                     |
| 1998 | Tamworth City times     | Charities need tax changes                                  |

|      |                           |   |
|------|---------------------------|---|
| 1998 | Advertiser (Adel)         | Charity tax   |
| 1998 | Herald Sun                | Miss Victoria Quest charity collapses   |
| 1998 | Various                   | debate on effects of GST on charities   |
| 2003 | Sydney Morning Herald     | Moving on after criticism from Bali Appeal  |
| 2003 | Sydney Morning Herald     | Criticism of Bali Appeal  |
| 2005 | Age                       | Red Cross manager linked to courier resigns   |
| 2005 | Age                       | Harassment allegations at the Red Cross   |
| 2005 | Community News - Moreland | Red Cross thanks - lower support after Tsunami  |
| 2005 | Bayside leader            | Tsunami dampens Red Cross appeal result   |
| 2005 | various articles          | many articles across magnitude of papers on red cross appeal lower because of Tsunami fund  |
| 2005 | various                   | many articles on Tsunami appeal   |
| 2005 | Herald Sun                | Concern over tsunami victims share - agencies get aid cash cut  |
| 2005 | Geelong Advertiser        | What's the cost of Red Cross aid - percentage to admin  |
| 2005 | WAVEAID                   | Criticism by Red Cross over Act at Tsunami fund raiser - crowd leaving  |
| 2009 | Age                       | Red Cross cancels annual fundraising day to focus on bushfire appeal  |
| 2009 | Various                   | 100% of bushfire funds to go to the cause, no funds will be taken for administration  |
| 2011 | Age                       | Melbourne City Council announced considering banning fundraising in the city centre - charities argue that face to face fundraising is crucial for survival |
| 2015 | Age                       | Getting clarity on charity giving   |
| 2015 | Age                       | Red Cross to pull out of Asian fund blaming government funding cuts   |
| 2015 |                           | Decline in volunteers   |
| 2012 | Age                       | \$3 million IT overhaul   |
| 2013 | Various                   | Red Cross employees to lose their jobs and others to take pay cut   |
| 2014 | Various                   | Charity bins removed from train stations  |
| 2014 | Various                   | Red Cross threatens to sack employee for sending pay deal email   |
| 2015 | Age                       | Getting clarity on charity giving   |
| 2015 | Age                       | Red Cross to pull out of Asian fund blaming government funding cuts   |
| 2015 |                           | Decline in volunteers   |

## Appendix J - Possible Legitimacy Events – Specific Fundraising or Collection Issues

| Date | Paper                     | Article/Event of interest  |
|------|---------------------------|--|
| 1953 | Coburg Courier            | Charity auction scam   |
| 1955 | Various                   | Charities victim of advertising sharks                                       |
| 1958 | Camberwell/Progress Press | Car raffle ban   |
| 1958 | Sun                       | Scam - begging letters from Hungary  |
| 1958 | Age                       | Raffle abuses under quiz system  |
| 1961 | Age                       | Door-knock appeals overdone?   |
| 1961 | Various                   | Calls to abolish door-knocks   |
| 1962 | Times Prahran             | New by-law to control doorknockers   |
| 1962 | Herald                    | Hawthorn bans collection by charities without consent                        |
| 1979 | Chadstone Progress        | Doorknockers for individual charities banned in Oakleigh                     |
| 1982 | The Standard Times        | Value of street appeals queried  |
| 1983 | Various                   | Calls for united charity funds/more criticism of door knock                  |
| 1982 | Age                       | Doorknock losses over councils refusal to allow doorknock                    |
| 1985 | The Advertiser            | Appeal that never was - no appeal for Maryborough bushfires - aborted appeal |
| 1991 | Various                   | Most charities do not pay collectors   |
| 1991 | Unlabelled                | Charity scam alert   |
| 1991 | Herald Sun                | Question when donating   |
| 1991 | Various                   | Police search for missing charity money - bogus charity scam                 |
| 1993 | Various                   | Charity warns of bogus collectors  |
| 1994 | NT News                   | Dog worries hit Red Cross Knock  |
| 1994 | Courier Mail (QLD)        | Warning on bogus charity collectors  |
| 1994 | Various                   | council clamps down on charity bins  |
| 1994 | Herald Sun                | Flood funds deficit anger  |
| 1994 | Various                   | Costs of dumping poor clothing   |
| 1994 | Age                       | Red Cross defends Rwanda appeal profits                                      |
| 1995 | Adelaide Advertiser       | Action on child doorknocking   |
| 1995 | Herald Sun                | Collection rule hurts  |
| 1995 | Gold Coast Bulletin       | Cash scam doorknockers pretending to be Red Cross                            |
| 1995 | Adelaide Advertiser       | SA crackdown on young charity collectors                                     |
| 1995 |                           |  |
| 1995 | Telegraph                 | Red Cross complaints   |
| 1996 | Canberra Times            | Charities to get licences in Adelaide  |
| 1996 | Moonee Valley Gazette     | Red Cross warning on bogus collector   |
| 1996 | Ararat Advertiser         | Warning on fund-raising scam   |
| 1996 | Various                   | bogus charity collectors   |



|      |                           |   |
|------|---------------------------|---|
| 1998 | Northern Territory news   | Thief grabs flood appeal donations  |
| 1998 | Herald Sun                | Miss Victoria Quest charity collapses   |
| 2003 | Various                   | Criticism of Bali Appeal  |
| 2005 | Various                   | Many articles on the Tsunami appeal   |
| 2005 | Age                       | Harassment allegations at the Red Cross   |
| 2005 | Community News - Moreland | Red Cross thanks - lower support after Tsunami  |
| 2009 | Various                   | 100% of bushfire funds to go to the cause, no funds will be taken for administration  |
| 2011 | Age                       | Melbourne City Council announced considering banning fundraising in the city centre - charities argue that face to face fundraising is crucial for survival |
| 2013 | Various                   | Red Cross employees to lose their jobs and others to take pay cut   |
| 2014 | Various                   | Red Cross threatens to sack employee for sending pay deal email   |
| 2015 | Age                       | Red Cross to pull out of Asian fund blaming government funding cuts   |

## Appendix K - Legitimacy Events – Charitable Organisations

| Date | Paper                  | Article/Event of interest  |
|------|------------------------|--|
| 1947 | Various                | Tax decision and parcel problems   |
| 1947 | Herald                 | Man alleged sold false Red Cross raffle tickets                          |
| 1947 | Sun                    | Tax plans may hit schools/ charities                                     |
| 1963 | Various                | Calls for united charity funds/more criticism of door knock              |
| 1983 | Weekend Australian     | Charity money use evaluation   |
| 1984 | Sun                    | Charities benevolent or bogus?   |
| 1985 | Dandenong News         | Red Cross low administration costs                                       |
| 1987 | Herald                 | Government shake-up for charity rules                                    |
| 1990 | Tempo                  | Article on charities and financial burden of activities                  |
| 1990 | Age                    | Mayor of San Francisco accused US Red Cross of profiting from earthquake |
| 1991 | The Age                | Need for aid stretches welfare groups                                    |
| 1991 | Sunday Sun             | Charities  |
| 1991 | Age                    | State Spastic society cuts   |
| 1991 | Sun                    | Salvos seek \$1m bailout   |
| 1991 | Various                | Charity tax law outmoded   |
| 1991 | Various                | Most charities do not pay collectors                                     |
| 1991 | Age                    | Charities being used in tax rort   |
| 1991 | Weekend Australian     | Attitude to charity is hardening   |
| 1991 | Unlabelled             | Charity scam alert   |
| 1991 | Various                | Police search for missing charity money - bogus charity scam             |
| 1991 | Herald Sun             | RSPCA sacking  |
| 1991 | Australian             | Call for review of aid body funding                                      |
| 1991 | Various                | Former MP quite CARE Australia group over excessive salaries             |
| 1991 | Herald Sun             | Welfare wages high   |
| 1991 | Various                | Open family group may close its doors                                    |
| 1991 | Herald Sun             | RSPCA sacking  |
| 1991 | Australian             | Call for review of aid body funding                                      |
| 1991 | Various                | Former MP quite Care Australia group over excessive salaries             |
| 1991 | Herald Sun             | Welfare wages high   |
| 1992 | various                | Tin rattlers to go ahead   |
| 1993 | Herald Sun             | Fundraising costs  |
| 1993 | Herald Sun             | Concern of political figure to head of Red Cross                         |
| 1994 | Sydney Morning Herald  | Charities must carry another cross - Federal Government inquiry          |
| 1994 | Sydney Morning Herald  | Tax deductibility of donations   |
| 1994 | Business Review Weekly | Charities start to lift their game                                       |

|      |                             |  |
|------|-----------------------------|--|
| 1994 | Telegraph Mirror (NSW)      | Charities will win in gaming law revision                  |
| 1994 | Age                         | Government waned on charity rules                          |
| 1994 | Herald Sun                  | Charity threat - new industrial laws                       |
| 1994 |                             | increasing debate on inadequacy of our foreign aid         |
| 1994 | Financial Review            | ASC gives charitable groups investment plan break          |
| 1994 | Australian                  | Black charity faces probe in \$3.2 funding                 |
| 1994 | Telegraph Mirror            | Aid regulations a mish mash                                |
| 1994 | Financial Review            | Taxing the weight of charities                             |
| 1994 | Mercury                     | Welfare groups in disastrous funds shortfall               |
| 1994 | Herald Sun                  | Tax deductibility of donations                             |
| 1994 | Age                         | Charities hit by huge leap in demand                       |
| 1994 | Bulletin                    | Who gets your aid money?                                   |
| 1994 | Age                         | Inquiry takes charitable view of bean counting practices   |
| 1994 | various                     | Charity inquiry report and overhaul needed                 |
| 1994 | Courier Mail                | The many benefits and costs of charity                     |
| 1994 | Age                         | Donating to tax in will - CGT                              |
| 1994 | Wes Australian              | Charities in cash crisis                                   |
| 1994 | Herald Sun                  | Where charity begins                                       |
| 1994 | Age                         | Charity inquiry back incentives                            |
| 1995 | Courier Mail (Bris)         | Charities warned to obtain investment scheme exempt status |
| 1995 | Border Mail                 | Charities too tied to public money                         |
| 1995 | Financial Review            | Value from our charity dollar                              |
| 1995 | The Australian              | Striking a balance on charities                            |
| 1995 | The Australian              | Inquiry into Care funding scandal                          |
| 1995 | Various                     | Claims against Care Australia                              |
| 1995 | The Australian              | Amnesty pays officials private school fees                 |
| 1995 | The Australian              | Money doesn't always get there: whistle-blower             |
| 1995 | The Age                     | Code of conduct urged for aid organisations                |
| 1995 | Australian Business monthly | Charity really means business                              |
| 1995 | Daily Telegraph Mirror      | Aid groups face code of conduct                            |
| 1995 | The Age                     | Handle with Care   |
| 1995 | The Australian              | Inquiry into Care funding scandal                          |
| 1995 | Various                     | Many articles on CARE scandal                              |
| 1995 | Canberra Times              | Code of conduct vital                                      |
| 1995 | Various                     | many articles on need for code of conduct for charities    |
| 1995 | Financial Review            | Fraser backs plan to tie aid and ethics code               |
| 1995 | Financial Review            | A new look at the aid game                                 |
| 1995 | Australian                  | Aid agencies need the public's trust                       |
| 1995 | Australian                  | Answers vital for aid's sake                               |
| 1995 | Daily Telegraph             | CARE hits back at outrage                                  |

|      |                                |   |
|------|--------------------------------|---|
|      | Mirror                         |   |
| 1995 | Daily Telegraph<br>Mirror      | A crisis in CARE  |
| 1995 | Age                            | Ideological feud splits catholic charity - Vinnie's           |
| 1995 | Various                        | Vinnie's funding scandal                                      |
| 1995 | Weekend Australian             | Admin costs 10pc  |
| 1995 | Various                        | Continuing articles on CARE scandal and CARE to sue Channel 9 |
| 1995 | The Australian                 | Inquiry by Industry Commission on charities                   |
| 1995 | Mercury                        | Unicef staff charged with fraud                               |
| 1995 | Herald                         | The aid money trail   |
| 1995 | Canberra Times                 | Dishonour: the price NGOs pay for keeping quit                |
| 1995 | Herald Sun                     | Government to push ahead with Charity code                    |
| 1995 | Advocate                       | Criticism on MS Society                                       |
| 1995 | Herald Sun                     | Collection rule hurts   |
| 1995 | Financial Review               | Taking care of charity  |
| 1995 | Australian                     | Scrutiny of aid agencies tougher - Red Cross                  |
| 1995 | Examiner                       | Tough battleground in war for charity dollar                  |
| 1995 | Financial Review               | Balancing shareholders needs against corporate philanthropy   |
| 1995 | Financial Review               | CARE and audit facts  |
| 1995 | Sunday Mail (Adel)             | Shake-up for charities  |
| 1995 | Various                        | CARR audit shows misuse                                       |
| 1995 | Various                        | CARE donations down, cut backs of staff                       |
| 1995 | The Guardian (VIC)             | Welfare slashed - Salvation Army struggling to fee needy      |
| 1995 | Sydney Morning<br>Herald       | Taxing charity report   |
| 1995 | Business Review<br>Weekly      | Non-profit accounting   |
| 1995 | Sydney Morning<br>Herald       | Charity GST a threat to the social fabric                     |
| 1995 | West Australian                | Charities to stay tax free                                    |
| 1995 | Courier Mail                   | Donations face tax axe - not to be tax deductible             |
| 1995 | various                        | Charities to stay tax exempt                                  |
| 1995 | Canberra Times                 | Charities on hit list   |
| 1995 | New Accountant                 | Taking Stock of Charities                                     |
| 1995 | West Australian and<br>various | Charities feel the pinch                                      |
| 1995 | Sydney Morning<br>Herald       | Charity now begins with a big database                        |
| 1998 | Tamworth City times            | Charities need tax changes                                    |
| 1998 | Advertiser (Adel)              | Charity tax   |
| 1998 | Various                        | Debate on effects of GST on charities                         |
| 2005 | Age                            | Red Cross manager linked to courier resigns                   |

|      |                    |  |
|------|--------------------|--|
| 2005 | Geelong Advertiser | What's the cost of Red Cross aid - percentage to admin                 |
| 2005 | WAVEAID            | Criticism by Red Cross over Act at Tsunami fund raiser - crowd leaving |
| 2015 | Age                | Getting clarity on charity giving                                      |
| 2015 | Age                | Getting clarity on charity giving                                      |

## Appendix L - Other Legitimacy Events

| Date | Paper                          | Article/Event of interest  |
|------|--------------------------------|--|
| 1945 | Herald                         | Red Cross used to cover up Nazi group  |
| 1945 | Sun                            | Red Cross parcels for sick servicewomen looted   |
| 1946 | Various                        | Criticisms of Red Cross by NZ brides   |
|      |                                |  |
| 1948 | Argus                          | Red Cross revenue down by half - talk of retrenchments and possible effects on services to civilians to go before cutting those to ex-servicemen |
| 1982 | Australian                     | Red Cross refuses to question captain on behalf of foreign ministry  |
| 1952 | Bairnsdale Advertiser          | Administration is a complex task for the Red Cross Society   |
| 1983 | The Chronicle                  | Cat food for fire victims story slammed  |
| 1983 | Age                            | Youth refuge staff angry at Red Cross evictions of squatter  |
| 1983 | Various                        | Issue of squatters at Red Cross Stanhope mansion   |
| 1985 | Unlabelled                     | Red Cross in Australia lags behind other countries in use of helicopters   |
| 1987 | South Gippsland Sentinel Times | Row over pensioners transport with taxi service and Red Cross  |
| 1988 | Bendigo Advertiser             | Warning on use of red Cross symbol'  |
| 1990 | Sun                            | Aid men on plane fraud counts - charged Red Cross for services   |
| 1990 | Various                        | On plane fraud case  |
| 1990 | Various                        | Red Cross admit benefited from earthquake fund   |
| 1991 | Australian scout               | Mis-use of Red Cross emblem  |
| 2003 | Various                        | Criticisms of Red Cross for use of Bali Bombing Funds  |
| 2005 | Age                            | Red Cross manager linked to courier resigns  |
| 2005 | Age                            | Harassment allegations at the Red Cross  |
| 2009 | Age                            | Red Cross cancels annual fundraising day to focus on bushfire appeal   |
| 2013 | Various                        | Red Cross employees to lose their jobs and others to take pay cut  |
| 2014 | Various                        | Red Cross threatens to sack employee for sending pay deal email  |

## Appendix M – Themes Observed in Annual Reports

| Year | Legitimacy Event  | Theme Number   |
|------|---|--|
| 1946 | <ul style="list-style-type: none"> <li>Peace time role and growing expenses</li> <li>Peacetime structure</li> <li>Future direction of Red Cross internationally in peace time</li> <li>Meeting increased need               <ul style="list-style-type: none"> <li>increase in cases of TB</li> <li>increasing demobilisation of people and demand for service after war</li> <li>many suffering mental and physical impairment during war</li> </ul> </li> <li>Keeping up with demand for blood products – serum, and difficulties producing wet serum in temporary premises</li> </ul>  | 1<br>1<br>1<br><br>1<br><br><br><br>2                      |
| 1947 | <ul style="list-style-type: none"> <li>Need for RC in peacetime – changing roles:               <ul style="list-style-type: none"> <li>Peace time policies</li> <li>Need for more social workers</li> <li>Uncertainty of future of Handcraft services – shortage of OTs</li> <li>Shortage of skilled treatment in TB</li> <li>need to ensure success</li> <li>Use of funds donated for prisoner of war purposes</li> </ul> </li> <li>Decreasing donations in peacetime</li> <li>Need for youth involvement – to ensure future – need to expand Junior Red Cross</li> <li>Department of Social Services increased services – but still very limited in areas and some delays so need for ARC</li> <li>Keeping up with demand for blood products – wet serum and issues building suitable premises – shortage of labour and materials</li> <li>Publicity over fees demanded by doctors for giving transfusions</li> </ul> | 1<br><br><br><br><br><br><br>1<br>1<br><br>1<br>2<br><br>2 |
| 1948 | <ul style="list-style-type: none"> <li>Role in peace time – perception that main function of the Red Cross was in war time</li> <li>Diminishing resources affecting ability to continue overseas help</li> <li>Diminishing number of volunteers</li> <li>Deficit – possibility of reducing services</li> <li>Reduced number of volunteers, staff shortage in hospitals and shortage of social workers to meet needs</li> <li>Costs of blood services increasing concern</li> <li>Need to spread information on services to secure ongoing support</li> </ul>  | 1<br><br>1<br><br>1<br>1<br>1<br><br>2<br>1                |
| 1949 | <ul style="list-style-type: none"> <li>Changing community conditions – varied needs of people approaching welfare department – lack of community facilities - shortage of social workers with experience, strain on hospital accommodation</li> </ul>   | 1  |

| Year | Legitimacy Event   | Theme Number           |
|------|--|------------------------|
|      | <ul style="list-style-type: none"> <li>and nursing profession</li> <li>Blood services building problems</li> <li>Decrease in member numbers – decrease in resources and personnel – need for support</li> <li>Value in peace time – need to keep public informed to ensure public support</li> <li>Finding role in peace time</li> <li>Increasing costs eating into reserves</li> </ul>  | 2<br>1<br>1<br>1<br>1  |
| 1950 | <ul style="list-style-type: none"> <li>Increasing demand on services</li> <li>Usefulness in peacetime</li> <li>Keeping up to increasing demand for blood – great need for donors/premises still concern in some states</li> <li>Difficulty raising finance for overseas assistance programs</li> <li>Deficit for third year in a row</li> </ul>  | 1<br>1<br>2<br>1<br>1  |
| 1951 | <ul style="list-style-type: none"> <li>Shortage of social workers</li> <li>Blood services issues: <ul style="list-style-type: none"> <li>fractionation plan issues</li> <li>– labour and material shortages</li> <li>Delays obtaining bottles from manufacturers</li> </ul> </li> <li>Deficit for last five years - uncertain times</li> </ul>   | 1<br>2<br><br>1        |
| 1952 | <ul style="list-style-type: none"> <li>Need for the Red Cross in peacetime</li> <li>Money concerns – need for financial stringency – possibility of reduction of services</li> <li>Increased responsibilities for Red cross</li> <li>Deficit – maintenance of society's work with less</li> </ul>  | 1<br>1<br>1<br>1       |
| 1953 | <ul style="list-style-type: none"> <li>Financial Issues: <ul style="list-style-type: none"> <li>Increased publishing costs making distribution of message of the great work Red Cross is doing difficult</li> <li>Need to limit costs</li> <li>Need to curtail collection of literature for resource centre</li> <li>Reduced services to civilians due deficit</li> <li>Deficit</li> </ul> </li> <li>Blood Services: <ul style="list-style-type: none"> <li>Costs of transfusion services</li> <li>Increased demand for blood</li> </ul> </li> </ul> | 1<br><br><br><br><br>2 |
| 1954 | <ul style="list-style-type: none"> <li>Changing conditions –new need for care for the aged</li> <li>Role of Red Cross in peace time</li> <li>Blood services – increase demand</li> <li>Retaining confidence of general public</li> </ul>   | 1<br>1<br>2<br>1       |
| 1955 | <ul style="list-style-type: none"> <li>Blood services – steady increase in demand resulting from increase in population</li> <li>Issues securing volunteers after the war</li> </ul>   | 2<br>1                 |



| Year | Legitimacy Event  | Theme Number          |
|------|---|-----------------------|
|      | <ul style="list-style-type: none"> <li>Deficit again</li> </ul>   | 1                     |
| 1956 | <ul style="list-style-type: none"> <li>Periodic review of financial situation is needed - uncertainty in trends – decreased donations</li> <li>High demand for services               <ul style="list-style-type: none"> <li>Event of meeting needs of WW veterans and meeting current program needs</li> <li>Increase in number of families applying for financial and material assistance</li> </ul> </li> <li>Blood services – concern over duty of care and liability in relation to blood donors and recipients risk</li> </ul>  | 1<br>1<br>2           |
| 1957 | <ul style="list-style-type: none"> <li>Financial difficulties – difficult financial environment – limited financial resources</li> <li>Decrease contributions from past years and may have to cut some services – Deficit for last five years</li> <li>Blood services – increasing demands for blood services</li> <li>Need for youth involvement to ensure continuation of Red Cross</li> <li>High demand for services               <ul style="list-style-type: none"> <li>High unemployment creating heavy demand</li> <li>Increasing need for further services</li> </ul> </li> </ul> | 1<br>1<br>2<br>1<br>1 |
| 1958 |   |                       |
| 1959 | <ul style="list-style-type: none"> <li>Need for Red Cross in peacetime</li> <li>Blood services – increase demand blood</li> </ul>   | 1<br>2                |
| 1960 | <ul style="list-style-type: none"> <li>Blood services – increase demand for blood</li> <li>Increasing costs</li> <li>Increasing disasters provided events</li> </ul>  | 2<br>1<br>1           |
| 1961 | <ul style="list-style-type: none"> <li>Blood services – increasing demand for blood</li> <li>Heavy demand for services               <ul style="list-style-type: none"> <li>many disasters</li> <li>unemployment - increase services and advice from Society's welfare system</li> </ul> </li> </ul>  | 2<br>1                |
| 1962 | <ul style="list-style-type: none"> <li>Blood services:               <ul style="list-style-type: none"> <li>assumption that there will always be sufficient supply of blood but reality need donors</li> <li>increasing demand for blood services</li> <li>increasing problems with accommodation of blood services</li> </ul> </li> <li>Demand for services:               <ul style="list-style-type: none"> <li>Series of disaster requiring assistance</li> <li>Credit squeeze</li> </ul> </li> </ul>   | 2<br>1                |
| 1963 | <ul style="list-style-type: none"> <li>Gap between Junior Red Cross and adult units becoming increasing concern</li> <li>Demand for services:               <ul style="list-style-type: none"> <li>Many disaster requiring assistance</li> <li>Aging societies – requiring changes to</li> </ul> </li> </ul>  | 1<br>1                |

| Year | Legitimacy Event   | Theme Number                    |
|------|--|---------------------------------|
|      | <ul style="list-style-type: none"> <li>programs</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Australia lagging slightly in field of blood transfusion research</li> <li>Increase demand for blood and blood products</li> </ul> </li> <li>International concerns for Red Cross – need for development programme for new and emerging societies</li> <li>Costs – increasing costs for transport services</li> <li>Slight decrease in membership over the year – more volunteers needed</li> </ul>  | 2<br><br>1<br><br>1             |
| 1964 | <ul style="list-style-type: none"> <li>Need for wider image – uncertain future – need for support to continue work</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Increased demand</li> <li>Need bigger premises</li> <li>Safety of blood products</li> <li>Expansion and safety problems</li> <li>Need for more donors</li> <li>Steady increase in demand for blood</li> </ul> </li> <li>Demand for services: <ul style="list-style-type: none"> <li>Multiple problems in society requiring assistance from the Red Cross</li> </ul> </li> </ul>   | 1<br><br>2<br><br><br><br><br>1 |
| 1965 | <ul style="list-style-type: none"> <li>Problems with some division being widespread across geographical locations</li> <li>Troubled times – increased demand</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Increasing demand for blood and blood products</li> <li>Need for larger and safer premises</li> <li>Obligation to distribute facts and new contributions to science and medical knowledge and their application to the public</li> <li>Increasing need for donors</li> <li>Deficit – increased demand for humanitarian services increasing expenditure</li> </ul> </li> </ul> | 1<br><br>1<br>2                 |
| 1966 | <ul style="list-style-type: none"> <li>Battle of raising sufficient funds to carry on many and varied activities</li> <li>Demand for services: <ul style="list-style-type: none"> <li>Increasing number of people with needs including those with geriatric problems</li> <li>Increasing running costs of homes and hospitals</li> <li>Government request increase number of personnel First Aid training courses – lack of instructors slowing down programmes</li> </ul> </li> <li>Decrease in Senior members</li> </ul>   | 1<br><br>1<br><br><br><br>1     |
| 1967 | <ul style="list-style-type: none"> <li>Deficit – increasing costs</li> <li>Decrease in total senior membership for second consecutive year</li> </ul>  | 1<br>1                          |
| 1968 | <ul style="list-style-type: none"> <li>Rising costs: <ul style="list-style-type: none"> <li>increased costs and expanding services, thus increased need for funds</li> </ul> </li> </ul>   | 1                               |

| <b>Year</b> | <b>Legitimacy Event</b>  | <b>Theme Number</b>  |
|-------------|--|--|
|             | <ul style="list-style-type: none"> <li>- NSW division experienced problems raising sufficient funds</li> <li>• Each year sees increases in demands for charitable and community organisations for public support</li> <li>• Engaging 15 to 25 year olds – imbalance between younger children involvement and older young folk</li> <li>• NT faced special difficulties establishing and maintaining Red Cross services being small with rapid turnover of population</li> <li>• Growing demand for first aid and nursing training through shortage of qualified instructors</li> </ul>   |  |
| 1969        | <ul style="list-style-type: none"> <li>• Blood service:               <ul style="list-style-type: none"> <li>- Criticism of increasing expenses</li> <li>- Rising cost of running the blood service</li> <li>- Tariff enquiry on Australian manufactured blood collecting needles</li> <li>- Use of blood and products continually increasing</li> </ul> </li> <li>• Demand for services:               <ul style="list-style-type: none"> <li>- Number of patients suffering malaria</li> </ul> </li> <li>• Financial issues:               <ul style="list-style-type: none"> <li>- Decrease in income compared to previous year with increased expenditure resulting in deficit</li> <li>- Fundraising problems</li> </ul> </li> <li>• Importance of good image</li> <li>• Issues facing Junior Red Cross – decline in membership of younger sets in Australia</li> </ul> | <div>2</div><br><br><div>1</div>                             |
| 1970        | <ul style="list-style-type: none"> <li>• Image:               <ul style="list-style-type: none"> <li>- Need to review image and make the organisation better known to the public</li> <li>- Public need to be educated in the services of the Red Cross so they will be more willing to donate</li> </ul> </li> <li>• Youth:               <ul style="list-style-type: none"> <li>- Issues with the responsibilities of the Red cross adequacy of the organisation's structure</li> <li>- Incorporating youth</li> </ul> </li> <li>• Deficit – for second consecutive year</li> </ul>  | 1  |
| 1971        | <ul style="list-style-type: none"> <li>• Unfavourable climate</li> <li>• Need to restate Red Cross principles and organisation to meet the changing need of the times</li> <li>• Concern for involvement of youth</li> <li>• Services:               <ul style="list-style-type: none"> <li>- Need to prepare for disaster</li> <li>- Increasing concern in affluent communities with social need of people</li> <li>- Rural depression – increased workload</li> <li>- Had to close Health in the Home course due to lack of volunteers</li> </ul> </li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Risks of receiving blood</li> </ul> </li> <li>• Deficit for third consecutive year</li> </ul>   | <div>1</div><br><br><br><br><br><div>2</div><br><div>1</div> |

| Year | Legitimacy Event   | Theme Number                        |
|------|--|-------------------------------------|
|      |  |                                     |
| 1972 | <ul style="list-style-type: none"> <li>Outdated image - problem of keeping youth involved</li> <li>Delegates concerned with outdated image of Red Cross among young people</li> </ul>  | 1<br>1                              |
| 1973 | <ul style="list-style-type: none"> <li>Financial problems</li> <li>Demand for services: <ul style="list-style-type: none"> <li>Increasing inflation</li> <li>Problems with existing welfare system – need for services</li> </ul> </li> <li>Blood Services: <ul style="list-style-type: none"> <li>shortage of blood funds</li> <li>difficulty meeting is proportion of the costs of operating the blood services</li> </ul> </li> </ul>   | 1<br>1<br><br>2                     |
| 1974 | <ul style="list-style-type: none"> <li>Increasing costs of providing services – inflation issues causing increased demand for services</li> <li>Adoption of Australian government's Australian Assistance Plan provided many event</li> <li>The extent of Red Cross services being given at a local level were not generally appreciated even by many Red Cross members</li> <li>Need to expand services</li> <li>Deficit – expenditure increased faster than income</li> <li>Declining membership</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Future of</li> </ul> </li> <li>Future – Youth: <ul style="list-style-type: none"> <li>Need to examine if the society is geared to include youth with all its elements</li> <li>Decrease in youth membership for seventh consecutive year</li> </ul> </li> </ul> | 1<br><br><br><br><br><br>2<br><br>1 |
| 1975 | <ul style="list-style-type: none"> <li>Economic Climate – review of problems – decrease in services</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Continues to be major item of expenditure</li> <li>Mounting criticism by WHO and LRCS of commercial plasmapheresis</li> </ul> </li> <li>Many disasters: <ul style="list-style-type: none"> <li>demand on services</li> <li>taxed Society's administration</li> </ul> </li> <li>Youth: <ul style="list-style-type: none"> <li>Need to find way to integrate younger members in the fabric of the organisation</li> <li>Providing opportunities for youth to become integral part of organisation</li> </ul> </li> </ul>   | 1<br>2<br><br>1<br>1                |
| 1976 | <ul style="list-style-type: none"> <li>Financial position: <ul style="list-style-type: none"> <li>Poor economic climate concerning</li> </ul> </li> <li>Major concern with application of findings of an internationally sponsored 'Big Study' on the reappraisal of the role of the Red Cross to the</li> </ul>   | 1<br>1                              |

| Year | Legitimacy Event  | Theme Number               |
|------|---|----------------------------|
|      | <p>situation in Australia and the world at large</p> <ul style="list-style-type: none"> <li>• Changing demands of community and the age level of working membership, organisation has become fragmented with number of different Red Cross units in some areas</li> <li>• Level of involvement in various aspects of the Welfare Services community not always appreciated</li> <li>• Many disasters with huge demands on Tracing Services</li> <li>• Closed ICRC office in Darwin</li> <li>• Increase in cases of home drowning resulting in an increase in demand for resuscitation courses</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Need for financial arrangements for blood service with government</li> <li>- Problems with increasing costs</li> <li>- Criticism by WHO and LRCS of commercial plasmapheresis programmes</li> </ul> </li> </ul> | <p>1</p> <p>1</p> <p>2</p> |
| 1977 | <ul style="list-style-type: none"> <li>• Changing needs of society</li> <li>• Need for government ratification of IHL additional protocols</li> <li>• Increased number of Tracing and Enquiry request – finding it difficult to meet demand – tightening security arrangement at most airports</li> <li>• Changing times</li> <li>• Increasing number of refugees arriving in Australia requiring Society to clarify its role</li> </ul>  | 1                          |
| 1978 | <ul style="list-style-type: none"> <li>• Political event to neutrality stance of the Red Cross</li> <li>• Deficit for Head Quarters operations</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Hepatitis – cases of post-transfusion hepatitis despite screening</li> <li>- Increased demand for blood</li> </ul> </li> </ul>   | <p>1</p> <p>2</p>          |
| 1979 | <ul style="list-style-type: none"> <li>• Fundraising and operating voluntary organisation in difficult times – economic confusion and uncertainty</li> <li>• Increasingly aware of community pressure and demand for specific and exact information about income and expenditure of organisations such as the society</li> <li>• Increased demand for overseas tracing services – Vietnam</li> <li>• Increasing difficult to obtain donations of medical supplies</li> <li>• Increased demand for services: <ul style="list-style-type: none"> <li>- Increase in refugees</li> <li>- Need for trained volunteers</li> </ul> </li> <li>• Changes in community needs – reduced number of homes they run to four</li> <li>• Fire destroyed blood plasma</li> </ul>   | <p>1</p> <p>2</p>          |

| <b>Year</b> | <b>Legitimacy Event</b>  | <b>Theme Number</b>             |
|-------------|--|---------------------------------|
| 1980        | <ul style="list-style-type: none"> <li>• Need for more volunteers</li> <li>• Increased number of refugees in Australia – increased demand for tracing services</li> <li>• Changing community situations resulting in changes in welfare field</li> <li>• Work and Safety legislation passed by State governments – changed environment</li> <li>• Change in society needs over the years resulting in changes and modification in activities and services and trend to decentralisation</li> <li>• Some blood stores destroyed in fire in Victoria</li> </ul>  | 1<br><br><br><br><br>2          |
| 1981        | <ul style="list-style-type: none"> <li>• Need for contributions of time and money to continue work</li> <li>• Implications for the Society of the Jamison Report</li> <li>• Procedures used in Kermoask/Cosmetic Camouflage services</li> <li>• Issues over Red Cross charging fees for services</li> </ul>  | 1                               |
| 1982        | <ul style="list-style-type: none"> <li>• Need for continuing donations – persuading people to give their time and money to ensure services can continue</li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Number of donations collected didn't rise as steeply as previous year</li> </ul> </li> </ul>   | 1<br><br>2                      |
| 1983        | <ul style="list-style-type: none"> <li>• Extreme conditions – recession</li> <li>• Events on international and national level which need to be met positively if Red Cross to be relevant and progressive emergency care organisation in years to come</li> <li>• Increased demand from aging population and events of reaming visible and relevant with aging volunteers</li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Risk of infection from AIDs</li> </ul> </li> </ul>   | 1<br><br><br><br>2              |
| 1984        | <ul style="list-style-type: none"> <li>• Challenging year - increased demand on services:               <ul style="list-style-type: none"> <li>- Recession combined with</li> <li>- many disasters and conflicts both locally and overseas</li> <li>- aging population</li> <li>- unemployed</li> </ul> </li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Ensuring blood products are safe – hepatitis, malaria and AIDS</li> <li>- Ethics and legal issues – potential for exploitation of donors</li> </ul> </li> <li>• Event of matching volunteers skills to community needs</li> <li>• Changing demography</li> <li>• Changing community needs and standards</li> <li>• Major demand for emergency relief services to families of unemployed people</li> </ul> | 1<br><br><br><br>2<br><br><br>1 |

| Year | Legitimacy Event  | Theme Number                       |
|------|---|------------------------------------|
|      | <ul style="list-style-type: none"> <li>Continued conflict overseas and many disasters resulting increased demand for tracing services</li> </ul>  |                                    |
| 1985 | <ul style="list-style-type: none"> <li>Many demands on services due to many natural disasters and manmade conflict</li> <li>Blood Services: <ul style="list-style-type: none"> <li>AIDS events</li> <li>Need for more donors to cover increased need due to extra needed to allow testing and safe production of blood products</li> <li>Decreased donors - difficulties getting blood donors</li> </ul> </li> <li>Introduction of OH&amp;S legislation in some States resulting in increased need for education</li> <li>Need to expand youth programs to ensure future</li> <li>Demand for services: <ul style="list-style-type: none"> <li>Extra demand on community programs and hospital programs such as handcraft services</li> <li>Maintaining focus of organisation in a large country with many demands</li> <li>Maintaining volunteers numbers</li> </ul> </li> <li>Raising sufficient funds</li> </ul>        | 1<br>2<br><br>1<br>1<br>1<br><br>1 |
| 1986 | <ul style="list-style-type: none"> <li>Controversy over IRC Conference being used as political vehicles with government insistence of suspension of S Africa</li> <li>Need to ensure acts in line with its fundamental principles</li> <li>Lack of awareness of public of need for funds</li> <li>Demand for services: <ul style="list-style-type: none"> <li>Extra demand on community programs and hospital programs such as handcraft services</li> <li>Maintaining focus of organisation in a large country with many demands</li> <li>Increase in aged people staying in own home requiring assistance</li> </ul> </li> <li>Blood Services: <ul style="list-style-type: none"> <li>AIDS events</li> <li>Need for more donors to cover increased need due to extra needed to allow testing and safe production of blood products</li> <li>Decreased donors - difficulties getting blood donors</li> </ul> </li> </ul> | 1<br>1<br>1<br>1<br><br>2          |
| 1987 | <ul style="list-style-type: none"> <li>New government emphasis on home care rather than institutional care</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Aids – difficulty maintaining donors – decrease in donors due to AIDS fears</li> </ul> </li> <li>Red Cross very upset that the South African government suspended South African delegation from the conference</li> <li>Overseas Services: <ul style="list-style-type: none"> <li>Media forgetting to cover seemingly endless</li> </ul> </li> </ul>   | 1<br>2<br><br>1<br>1               |

| Year | Legitimacy Event  | Theme Number  |
|------|---|---|
|      | <ul style="list-style-type: none"> <li>suffering in some regions requiring programs</li> <li>- Decrease in Australian dollar effect on ARC contribution</li> <li>- Many disasters worldwide requiring assistance</li> <li>• Demand for Services: <ul style="list-style-type: none"> <li>- Going aged population and hanging focus from institutional care to home care</li> <li>- Need for OH&amp;S training due to legislation</li> </ul> </li> <li>• Need for increased involvement of youth</li> </ul>   | 1<br>1  |
| 1988 | <ul style="list-style-type: none"> <li>• Limited resources</li> <li>• Increase demand for services: <ul style="list-style-type: none"> <li>- For sick and elderly</li> <li>- Low income families</li> <li>- Rural communities crisis</li> <li>- Increased community needs</li> </ul> </li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Fear of contracting AIDS from receiving or donating blood</li> <li>- First report of AIDS case</li> </ul> </li> <li>• Shortage in resource material on IHL</li> <li>• Cases of misuse of Red Cross emblem during the year</li> <li>• Need to boost public image – doubts on image by ongoing publicity about AIDS has produced adverse effect on number of donors</li> <li>• Increased community needs</li> <li>• Occupational First Aid legislation in some States and Territories – growth in public demand for courses</li> <li>• Need for new methods of fundraising to ensure secure income base for the future</li> <li>• Competitive field of fundraising</li> </ul> | 1<br>1<br>2<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1 |
| 1989 | <ul style="list-style-type: none"> <li>• Many events – many disasters and conflict worldwide</li> <li>• Knowledge of first aid and education in health and safety becoming recognised as more important for quality of life and survival</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Legal actions against blood bank</li> </ul> </li> <li>• Increasing needs for funding</li> <li>• Natural disasters and other factors</li> <li>• Disseminating IHL indefinite adjournment of the parliamentary debate on Bill to ratify additional protocols to the Geneva convention</li> <li>• Need to ensure reputation continued to be enhanced with swift and appropriate techniques to community needs</li> </ul>  | 1<br>2<br>1<br>1<br>1                               |
| 1990 | <ul style="list-style-type: none"> <li>• Need to meet many needs across society: <ul style="list-style-type: none"> <li>- Various emergencies at home and overseas</li> <li>- Training</li> <li>- State by State disaster and emergency commitments</li> </ul> </li> </ul>  | 1   |



| Year | Legitimacy Event   | Theme Number   |
|------|--|--|
|      | <ul style="list-style-type: none"> <li>• Competing priorities for humanitarian endeavours</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Legal action for negligence for AIDS</li> <li>- Increased demand for blood and blood products</li> <li>- Legal action for HIV transmission in years before screening available</li> <li>- Hep C risk of transmission in blood</li> <li>- Government review of blood transfusion services in Australia starting with WA</li> <li>- Rising costs of running blood services: litigation, screening etc</li> </ul> </li> <li>• Political issues – need to obtain ratification of Geneva Convention additional protocols</li> <li>• Need to create awareness of IHL</li> <li>• Increasing OH&amp;S legislation</li> <li>• Need for first aid courses in outback areas</li> <li>• Social factors – concern for safety of children home alone without adult supervision</li> <li>• Finances: <ul style="list-style-type: none"> <li>- Need for cash donations</li> <li>- Income from donations fell slightly</li> <li>- Increased expenditure</li> </ul> </li> </ul>  | 1<br>2<br><br><br><br><br>1<br><br>1<br>1<br>1<br>1<br>1 |
| 1991 | <ul style="list-style-type: none"> <li>• Multiple events of the year</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- HIV allegations of negligence – legal actions</li> <li>- Lack of blood donors</li> <li>- Increased demand for blood and blood products due to improvements in medicine</li> <li>- Review of blood services</li> <li>- Shortage of blood products</li> </ul> </li> <li>• Finances: <ul style="list-style-type: none"> <li>- Economic crisis – increase in demand for services for needy</li> <li>- Competition between relief agencies</li> </ul> </li> <li>• Multiple overseas crisis</li> <li>• Complex structure of organisation seen to impede performance – many events</li> <li>• Government initiatives impacting on society – Regulations of the Therapeutic Goods Act 1989</li> <li>• Demand for services <ul style="list-style-type: none"> <li>- Economic crisis – period of severe economic downturn – challenging environment to obtain funds</li> <li>- OHS legislation</li> </ul> </li> <li>• IHL <ul style="list-style-type: none"> <li>- Events of educating on IHL</li> <li>-</li> </ul> </li> <li>• Issue of youth needs</li> <li>• Ensuring Red Cross responds to changing community situations requires constant monitoring</li> <li>• Ensuring ongoing survival</li> </ul> | 1<br>2<br><br><br><br><br>1                              |
| 1992 | <ul style="list-style-type: none"> <li>• Demand on services:</li> </ul>  | 1  |

| Year | Legitimacy Event   | Theme Number              |
|------|--|---------------------------|
|      | <ul style="list-style-type: none"> <li>- Expanding humanitarian needs in times of economic crisis</li> <li>- Worldwide recession , increased economic hardship and human suffering – need for aid</li> <li>- Events of providing Health and Safety Education services in difficult economic times</li> <li>- Increase in number of HASE courses being run increasing complexity of environment offered in – legislative requirements on HASE</li> <li>- Record year of calamity and misery worldwide – hectic year of promotion of Red Cross activities worldwide</li> <li>- Increased demand for tracing services</li> <li>- Domestic violence</li> <li>• ICRC staff member killed</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Competing demands of supplying safe blood and keeping up to demand</li> <li>- Detection of Human T-cell Lymphotrophic Virus antibody</li> <li>- Increased demand for blood due to improved medical and surgical practices – shortage of supply</li> <li>- Costs of blood products increased due to screening and cost of providing services</li> <li>- Committee did not have authority to implement all of its recommendations as require support of governments who provide funding</li> </ul> </li> <li>• IHL <ul style="list-style-type: none"> <li>- Event of dissemination of IHL</li> </ul> </li> <li>• Finances: <ul style="list-style-type: none"> <li>- Need for funds to continue services</li> <li>- Threat of economic climate on corporate Australia – reduced sponsorship ie: unable to attract a supplier of fuel on Australia-wide basis</li> </ul> </li> </ul> | <div>2</div> <div>1</div> |
| 1993 | <ul style="list-style-type: none"> <li>• Demand on services: <ul style="list-style-type: none"> <li>- Growing pressure on Red Cross resources in Australia and overseas</li> <li>- Escalating demand due to economic recession, floods, droughts</li> <li>- Worldwide conflict and disaster – many appeals – couldn’t help all</li> <li>- Increasing financial constraint plus increased demand and complexity of services</li> <li>- Events to overseas projects – lack of services</li> </ul> </li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- No funds for AIDS screening</li> <li>- AIDS claims</li> <li>- Concerns for adequacy and safety of blood programs</li> <li>- Need to comply with Code of Good manufacturing Practice</li> </ul> </li> </ul>  | <div>1</div> <div>2</div> |

| <b>Year</b> | <b>Legitimacy Event</b>  | <b>Theme Number</b> |
|-------------|--|---------------------|
|             | <ul style="list-style-type: none"> <li>- Not all State governments contributed to screening test costs</li> <li>- Increase in demand for blood services</li> <li>• Debate on humanitarian intervention seen as obscuring the real issue of alleviating the misery of millions of people</li> <li>• Increasing demand for the ARC to be involved in IHL awareness</li> <li>• Need to raise the national profit of the ARC to increase revenue</li> <li>• Concerns with rigidity of accounting standards</li> </ul>  | 1                   |
| 1994        | <ul style="list-style-type: none"> <li>• Demand on services:               <ul style="list-style-type: none"> <li>- Vulnerable people – shift to de-institutionalisation –requires services</li> <li>- Increasing demand for Occupational first aid training from corporate clients to meet OHS legislation</li> <li>- Worldwide tragedies – many demands</li> </ul> </li> <li>• Testing times – need to review the organisations aims and services</li> <li>• Events of charting a new course</li> <li>• Need to engage youth – lean education environment – lack of funds</li> <li>• </li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Decreased blood donor rate as a result of increased screening</li> <li>- Shortage of plasma products</li> </ul> </li> <li>• Promoting IHL</li> </ul>   | 1<br><br>2          |
| 1995        | <ul style="list-style-type: none"> <li>• Ensuring relevance as an organisation</li> <li>• Event of ensuring services are highly regarded and maintain image in rapidly changing world</li> <li>• Need for change whilst remaining mindful of Fundamental Principles of the ARC</li> <li>• The humanitarian gap – all Red Cross operations dependent on availability of fund but financial support if not spread equitably - it goes where the publicity and political interest direct it.</li> <li>• Demand for Services:               <ul style="list-style-type: none"> <li>- Desperate need for better community support or mentally ill patients – small agencies struggling to meet needs – calling for help</li> <li>- Effect of variable such as drought</li> <li>- Issues of palliative care</li> <li>- Need for volunteers</li> <li>- Increased demand for first aid training for various reasons</li> <li>- Increase armed conflict overseas requiring assistance – Rwanda, Yugoslavia</li> <li>- AIDS epidemic</li> </ul> </li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Major change in blood bank services over the</li> </ul> </li> </ul> | 1<br><br>2          |

| <b>Year</b> | <b>Legitimacy Event</b>  | <b>Theme Number</b>                    |
|-------------|--|--|
|             | <ul style="list-style-type: none"> <li>- year</li> <li>- Number of donations not increasing – at least partly due to increasingly strict requirements for blood donors</li> <li>- Risk of transmission of infective agents through blood transfusion remains a matter of concern</li> <li>- Newly identified type of Hepatitis virus reported in USA</li> <li>- RD disease in children - shortage of suitable donors for RH program to treat mothers and babies</li> <li>- HIV litigation</li> </ul>   |  |
| 1996        | <ul style="list-style-type: none"> <li>• Event of making their revenue generation procedures more effective, reviewing existing services for relevance and cost-effectiveness and developing new services to meet changing needs</li> <li>• Demand for services:               <ul style="list-style-type: none"> <li>- Need for mental health services</li> <li>- Increase in demand for tracing services due to overseas conflicts, AIDS, natural disaster</li> </ul> </li> <li>• Blood Services:               <ul style="list-style-type: none"> <li>- Safety of transfusions</li> <li>- Attracting and retaining sufficient suitable donors – slight decrease in donor numbers</li> <li>- Potential litigation from HIV affected blood donations</li> </ul> </li> <li>• Delay in International Conference due to political difficulties on Palestinian representation at the conference</li> <li>• Humanitarian events changing rapidly as heading into the 21<sup>st</sup> Century – widening of the humanitarian gap</li> </ul> | <div>1</div> <div>2</div> <div>1</div> |
| 1997        | <ul style="list-style-type: none"> <li>• Changing needs of the Australian community as move into the 21<sup>st</sup> century</li> <li>• Changes in computer technology and more questioning approach to life, community services like the ARC provide events different and more complex than those seen before</li> <li>• Change needed in the increasingly competitive environment – now need to attain level of Best world practice to survive</li> <li>• Increasing public and government scrutiny and greater competition for resources resulting in interest on the management and effectiveness of non-government organisations.</li> <li>• Reporting requirements of Australia's overseas aid agency, AusAID tightened significantly – increased need for technology ie computers on projects</li> <li>• Demand for services:               <ul style="list-style-type: none"> <li>- Many natural disasters and conflicts of changing nature and complexity</li> </ul> </li> </ul>  | 1                                      |

| Year | Legitimacy Event  | Theme Number                           |
|------|---|--|
|      | <ul style="list-style-type: none"> <li>- Move from focus of emergency to long-term support</li> <li>- Events of Australia's increasing multicultural society to community service organisations</li> <li>- Providing quality care for armed conflict</li> <li>• ICRC rep killed</li> <li>• Highlighted need for strategic review and cooperative coordinated development of first aid services – some course postponed</li> <li>• IHL               <ul style="list-style-type: none"> <li>- ongoing event of technique in relation to</li> <li>- Parliamentary Joint Standing Committee on Treaties</li> <li>- Use of mercenaries in armed conflict</li> </ul> </li> <li>• Detention of ARC nurse working in Sudan</li> <li>• Killing of six RC workers in Chechnya</li> <li>• Large deficit - reduced surplus:               <ul style="list-style-type: none"> <li>- reduction in legacies</li> <li>- operation of managed services</li> </ul> </li> </ul>   |  |
| 1998 | <ul style="list-style-type: none"> <li>• Need to update and improve processes and move forward</li> <li>• Red Cross mission and objectives in the 21<sup>st</sup> Century – need for change</li> <li>• Services:               <ul style="list-style-type: none"> <li>- Many world crisis, flood, famine, war</li> <li>- Difficulty providing services - numerous events for staff and volunteers around the world</li> </ul> </li> <li>• Blood services:               <ul style="list-style-type: none"> <li>- Increased demand for blood and increased costs</li> <li>- Request for output funding to Australian Health Ministers Advisory Council because of concerns of rising demands for blood products and increasing costs</li> <li>- HIV litigation – exposure in some States</li> </ul> </li> <li>• IHL – problems of endorsement of IHL</li> <li>• Risk of operating in the new real-time age with the risk of bad media coverage</li> <li>• Finance:               <ul style="list-style-type: none"> <li>- Pressure to obtain funds to maintain services</li> <li>- Interest rate risk</li> </ul> </li> </ul> | <div>1</div> <div>2</div> <div>1</div> |
| 1999 | <ul style="list-style-type: none"> <li>• Event of new millennium</li> <li>• Demand for Services:               <ul style="list-style-type: none"> <li>- Events of managing and bringing effective relief with many tragedies</li> </ul> </li> <li>• Preserving unique status under the Geneva Conventions require discouraging media attention, frustration to public affairs managers and members</li> <li>• Communication revolution – need to keep up to ensure future</li> <li>• Communication with myriad of supporters patchy</li> </ul>  | 1                                      |

| Year | Legitimacy Event   | Theme Number      |
|------|--|-------------------|
|      | <p>at best</p> <ul style="list-style-type: none"> <li>• Organisation is vulnerable in new century without fundamental change</li> <li>• Problems with old constitution</li> <li>• Moving forward – priority identification</li> <li>• Declining membership numbers</li> <li>• Need to improve income with programs and fundraising initiatives</li> <li>• Need to enable easy exchange of information</li> <li>• Many ARC services need clear strategy and service development</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Challenging times for new national body</li> <li>- Future events – HCV and HIV testing</li> </ul> </li> <li>• Changes in society from extended families to smaller units – increasing number of people isolated and alone in older years</li> <li>• Need for National disaster plan</li> <li>• IHL dissemination: <ul style="list-style-type: none"> <li>- Need for international criminal court</li> </ul> </li> <li>• Need for increased inefficiency</li> </ul>  |                   |
| 2000 | <ul style="list-style-type: none"> <li>• Demand for services: <ul style="list-style-type: none"> <li>- Increased number of overseas conflicts and natural disasters – many events strategic and operational</li> <li>- Many events for volunteers and staff</li> <li>- Increase number of people caring for loved ones at home – need to provide high quality carer respite</li> <li>- HIV/AIDS event</li> <li>- Increase demand on National Resource Centre</li> </ul> </li> <li>• Ensuring long-term survival of services and meeting needs of the people</li> <li>• Long standing issues with emblem</li> <li>• Need to implement strategic changes over time</li> <li>• Issue of relevance, validity and value of humanitarian action under continued scrutiny in new century along with increase number of service providers with different standards</li> <li>• Blood services: <ul style="list-style-type: none"> <li>- Continued increase demand for some blood products from growing range of conditions treated with these products</li> <li>- Disease transmission, Hep C</li> </ul> </li> <li>• Importance of public affairs and promoting fundamental principles and activities</li> <li>•</li> </ul> | <p>1</p> <p>2</p> |
| 2001 | <ul style="list-style-type: none"> <li>• Demand services: <ul style="list-style-type: none"> <li>- HIV/AIDS pandemic - growing public health emergency</li> <li>- Many crisis – competing demands for funding</li> <li>- Demands for services such as meals on wheels, family support services</li> </ul> </li> </ul>  | 1                 |

| Year | Legitimacy Event  | Theme Number                                |
|------|---|---|
|      | <ul style="list-style-type: none"> <li>Blood Services; <ul style="list-style-type: none"> <li>vCID disease</li> </ul> </li> <li>Event of meeting the Federation Strategy 2010 to improve efficiency and professionalism</li> <li>Creating image in society of ARC of complex organisation with many services than the well-recognised areas such as blood bank and overseas aid</li> <li>Increased competition for research funding – some projects with significant health outcomes could not be progressed – need for further research</li> <li>Misuse of RC emblem</li> <li>Daily demands on national communication department change rapidly – major disasters, evolution of internet as communication tool</li> <li>Fundraising – increase in competitive environment with many causes competing for the charity dollar</li> </ul>   | 2<br><br>1                                  |
| 2002 | <ul style="list-style-type: none"> <li>Demand for services: <ul style="list-style-type: none"> <li>September 11 emergency and armed action in Afghanistan that followed</li> <li>Many natural disasters and conflicts needing assistance</li> <li>AIDS pandemic</li> <li>Increase in enquiries to archives</li> </ul> </li> <li>Issues with Geneva conventions needing some additional protocols of provision for a court with power to enforce law and punish</li> <li>Need to work on reform agenda while continuing to deliver services</li> <li>Staying relevant</li> <li>Event of ensuring long term success and existence</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Problems keeping adequate blood supplies</li> <li>Deferral of donors to protect against transmitted disease – Creutzfeldt – Jakob Disease (vCID)</li> <li>Delays in implementing new National Blood Management Service</li> </ul> </li> <li>Educating on IHL</li> <li>New Privacy Principles</li> <li>Effects of rapid development in IT</li> </ul> | 1<br><br><br><br><br><br><br>2<br><br><br>1 |
| 2003 | <ul style="list-style-type: none"> <li>Bali bombing - criticism in media over Red Cross handling of Bali donations – multiple mentions and discussion</li> <li>Drop in donations for the Winter appeal</li> <li>Blood Services: <ul style="list-style-type: none"> <li>Task of negotiating blood service agreement with government</li> <li>Increase demand for blood following Bali bombings</li> <li>Claims that plasma testing positive to Hep C antibody was used in the manufacture of plasma products in 1990</li> </ul> </li> </ul>  | 3<br><br>3<br>2                             |

| Year | Legitimacy Event   | Theme Number                            |
|------|--|---|
|      | <ul style="list-style-type: none"> <li>- Managing risks inherent in its blood bank activities</li> <li>• Demand for Services: <ul style="list-style-type: none"> <li>- Asylum seekers no rights to social security benefits</li> <li>- Many disasters worldwide to tend to</li> </ul> </li> </ul>  | 1                                       |
| 2004 | <ul style="list-style-type: none"> <li>• Demand for services: <ul style="list-style-type: none"> <li>- Tumultuous year with many disasters to tend to</li> <li>- Aging population requiring increased level of support</li> <li>- Reduction in asylum seeker scheme</li> </ul> </li> <li>• Finding their place in a modern complex world</li> <li>• Future of the ARC – Keeping up with the new age</li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Senate inquiry into Hep c and Blood supply in Australia</li> <li>- Increase demand for blood products</li> <li>- Ensuring effective management of blood bank</li> </ul> </li> <li>• Events of building greater understanding support work on a national level while keeping grass road support</li> <li>• Need for Red Cross</li> <li>• Ensure accountability</li> <li>• Need to safeguard the physical and intellectual capital of the ARC</li> </ul> | 1<br><br><br><br><br>2<br><br><br><br>1 |
| 2005 | <ul style="list-style-type: none"> <li>• Demands for Services; <ul style="list-style-type: none"> <li>- Asian Tsunami</li> </ul> </li> <li>• Challenging world – need to ensure still relevant and efficient</li> <li>• Tsunami event – staying legitimate provider of services in Australia</li> <li>• Need to explore the changing face of need whilst remaining true to the humanitarian commitment</li> </ul>  | 1 / 3<br><br>1<br><br>3<br><br>1        |
| 2006 | <ul style="list-style-type: none"> <li>• Demand on Services: <ul style="list-style-type: none"> <li>- Common logistical events to Pacific nations</li> <li>- Various disasters</li> <li>- Aging population</li> </ul> </li> <li>• Blood Services <ul style="list-style-type: none"> <li>- Concerns over offshore fractionation</li> </ul> </li> <li>• Need for youth involvement vital to survival</li> <li>• Major events recovering from Tsunami</li> </ul>  | 1<br><br><br><br>2<br><br>1<br>3        |
| 2007 | <ul style="list-style-type: none"> <li>• Demand of Services: <ul style="list-style-type: none"> <li>- Tsunami</li> <li>- Many emergencies to meet demands of</li> <li>- Red Cross underrepresented in work done with indigenous communities</li> </ul> </li> <li>• Blood services: <ul style="list-style-type: none"> <li>- Protect the future of our voluntary blood systems</li> </ul> </li> </ul>   | 1/3<br><br><br><br>2                    |



| Year | Legitimacy Event   | Theme Number                            |
|------|--|---|
|      | <ul style="list-style-type: none"> <li>- Cost of blood service been a struggle to meet</li> </ul>  |   |
| 2008 | <ul style="list-style-type: none"> <li>• Change of Board – loss of four experienced Board members this year</li> <li>• Demands of Services: <ul style="list-style-type: none"> <li>- Need to increase percentage of population trained in first aid</li> <li>- Many persecuted refugees – events</li> <li>- Need to assist Aboriginal communities – higher death rates than other, need to combat malnutrition communities</li> <li>- Effects of drought</li> <li>- Effects of regional isolation on youth</li> <li>- Effects of poverty on population</li> <li>- Increase in costs due to increase in demand for services</li> </ul> </li> <li>• Need to achieve a more strategic and focused approach – ensure achieve vision and mission</li> </ul> | 2<br><br>1<br><br><br><br><br><br><br>1 |
| 2009 | <ul style="list-style-type: none"> <li>• Demand for services <ul style="list-style-type: none"> <li>- Increase need for programs – poor global financial conditions</li> </ul> </li> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Increased demand for blood services</li> <li>- Increased expenditure</li> </ul> </li> <li>• Deficit of \$7.4 million</li> </ul>  | 1<br><br>2<br><br>1                     |
| 2010 | <ul style="list-style-type: none"> <li>• Blood Services: <ul style="list-style-type: none"> <li>- Increased demand for blood services</li> <li>- Increased expenditure</li> </ul> </li> <li>• Need to ensure good Governance</li> <li>• Delay in passing new Royal Charter and Rules presented to Government due to the election</li> <li>• Ensuring no conflict of interest of Board</li> </ul>   | 2<br><br>1                              |
| 2011 | <ul style="list-style-type: none"> <li>• Demands of Services: <ul style="list-style-type: none"> <li>- Many natural disasters</li> </ul> </li> <li>• Retail sector experienced particularly difficult trading conditions – low consumer confidence</li> <li>• Need to ensure sustainable positive net cash flows and asset value in the future</li> </ul>  | 1                                       |
| 2012 | <ul style="list-style-type: none"> <li>• Changing needs in our communities – need to ensure assisting people when and where they need it most</li> </ul>   |   |
| 2013 | <ul style="list-style-type: none"> <li>• Significant changes in immigration policy and increasing numbers of asylum seekers in immigration requiring assistance</li> <li>• Increasing demand for services</li> <li>• Ensure programs meet goals of the organisation and provide path forward</li> <li>• Evaluate programs to ensure meeting needs</li> </ul>   | 1                                       |
| 2014 | <ul style="list-style-type: none"> <li>• Change in legislation on migration</li> </ul>   | 1                                       |

| Year | Legitimacy Event  | Theme Number |
|------|---|--------------|
|      | <ul style="list-style-type: none"> <li>• Need to ensure the organisation is ran efficiently</li> <li>• Changing demographic – keeping programs up to date</li> <li>• Need to engage stakeholders</li> <li>• Aim to increase donations</li> <li>• Some of RC activities are high risk – need to mitigate risk</li> </ul> |              |
| 2015 | <ul style="list-style-type: none"> <li>•</li> </ul>   |              |

## Appendix N: Chapter Six Tables

### Appendices N: Table 1 Challenge of Increasing Demand and Maintaining Support

| Year(s)      | Example   |
|--------------|---|
| 1946 onwards | Insufficient infrastructure in place to address all community needs with returned soldiers suffering mental and physical impairment   |
| 1949         | Shortage of social workers and trained nurses   |
| 1954         | Challenges of an aging population required further assistance   |
| 1950's       | Increasing number of families applying for financial and material assistance with high unemployment creating heavy demand   |
| 1961         | Many disasters and ongoing unemployment continued to increase the demand for services and advice from the Society's welfare system  |
| 1962         | Demand for services continued with a series of disasters requiring assistance combined with the credit squeeze  |
| 1963         | Aging societies requiring changes to programs   |
| 1968         | Particular locations faced challenges specific to their areas, such as the Northern Territory, which faced special difficulties establishing, and maintaining Red Cross services being small with a rapid turnover of population (ARC, 1968)  |
| 1968         | Growing demand was experienced in the fields of first aid and nursing training through shortage of qualified instructors  |
| 1969         | Increased numbers of people requiring services due to patients suffering diseases such as malaria   |
| 1973         | Demand for services was exacerbated by problems with the existing welfare system, increasing the need for services  |
| 1974         | Inflation issues also caused increased demand for services through the strain it placed upon the community resulting in further need to expand services   |
| 1975         | Demand on services continued increasing with many disasters taxing Society's administration   |
| 1976         | The poor economic climate continued to remain concerning (ARC, 1976)  |
| 1976         | Disaster and conflict worldwide placed huge demand on services such as the Tracing Services with increased number of tracing and enquiry requests resulting in the organisation finding it difficult to meet demand, especially with the tightening security arrangement at most airports |
| 1976         | In addition, increased numbers of refugees were arriving in Australia requiring the ARC to clarify its role   |
| 1979         | Increased demand continued with increase in refugees and increased demand for overseas tracing services after Vietnam (ARC, 1979)   |
| 1983         | Extreme financial conditions were brought on by the recession in the early 1980's   |
| 1984         | with challenging times seeing increased demand on services resulting from the effects of the recession combined with many disasters and conflicts both locally and overseas   |
| 1984         | An aging population and increasing unemployment put further pressure on services  |
| 1984         | A major demand for emergency relief services to families of unemployed people and continued conflict overseas and many disasters resulting increased demand for tracing services  |
| 1985         | Demands on services occurred due to many natural disasters and manmade  |

|      |  |
|------|--|
|      | conflict and changes such as the introduction of OH&S legislation in some States resulting in increased need for education, and extra demand on community programs and hospital programs such as handcraft service   |
| 1987 | Demand for OH&S training arose due to the introduction of new OH&S legislation   |
| 1986 | Extra demand on community programs and hospital programs such as handcraft services was exacerbated by the challenge of maintaining the focus of a national organisation in a large country with many demands. Increased demand also came from increases in the number of aged people staying in their own home requiring assistance   |
| 1987 | with new government emphasis on home care rather than institutional care   |
| 1988 | Increase demand for services for sick and elderly, low income families, rural community's crisis, increased community needs such as occupational First Aid legislation in some States and Territories resulting in growth in public demand for courses   |
| 1992 | The issue of domestic violence came into focus at this time  |
| 1993 | The ARC acknowledged that there were many appeals and that it couldn't help all  |
| 1994 | Increasing demand for Occupational first aid training from corporate clients to meet OHS legislation was experienced.  |
| 1994 | An increase in the number of vulnerable people requiring assistance was noted due to a shift by the Government to de-institutionalisation.   |
| 1994 | Worldwide tragedies continued bringing many demands upon the organisation  |
| 1995 | In the 1990s a global economic recession hit the world placing growing pressure on Red Cross resources in Australia and overseas continued with escalating demand. The effect of variables such as drought, issues of palliative care, need for volunteers, increased demand for first aid training for various reasons, increase armed conflict overseas requiring assistance such as Rwanda, Yugoslavia, AIDS epidemic continued |
| 1995 | Demand for services continued to increase with a desperate need for better community support for mentally ill patients, with small agencies struggling to meet their needs and calling for help  |
| 1996 | Demand for services was ongoing with continued need for mental health services identified along, with increased demand for tracing services due to overseas conflicts, AIDS, and natural disasters   |
| 1997 | Demand for services was persisted with many natural disasters and conflicts of changing nature and complexity  |
| 1997 | A move from a focus on emergency service to long-term support was noted  |
|      | Providing quality care for those affected by armed conflict remained a concern   |
| 1998 | with high demand on services from many world crisis, flood, famine, and war. The organisation experienced difficulty providing services in the 1990s, posing numerous challenges for staff and volunteers around the world   |
| 1999 | Demand for Services continued to pose events of managing and bringing effective relief with many tragedies   |
|      | Demand for services also arose from changes in society from extended families to smaller units increasing the number of people isolated and alone in older years, need for National disaster plan  |
| 2000 | Increased number of overseas conflicts and natural disasters posed many challenges, both strategic and operational   |

|      |   |
|------|---|
| 2001 | Many challenges for volunteers and staff continued with increased number of people caring for loved ones at home creating a need to provide high quality carer respite. Demand for services high from HIV/AIDS pandemic increased with the growing public health emergency. This was coupled with many crises and competing demands for funding and services such as meals on wheels, family support services |
| 2004 | As increasing pressure on the organisation continued it spoke of another tumultuous year with many disasters to tend to, aging population requiring increased level of support, reduction in asylum seeker scheme   |
| 2006 | Demand on Services continued with common logistical events to Pacific nations, various disasters, and an aging population   |
| 2007 | The ARC identified that it was underrepresented in work done with indigenous communities and a need to provide more services  |
| 2008 | Assisting Aboriginal communities who face higher death rates than other communities and a need to combat malnutrition became a priority   |
| 2009 | Demand for services- increase need for programs – poor global financial conditions  |
| 2011 | Demands for services continue with many natural disasters requiring resources   |

## Appendices N: Table 2 Challenges to Maintain Financial Support

| Year(s) | Example  |
|---------|--|
| 1953    | Increased publishing costs made distribution of the message of the work the Red Cross was doing difficult, and with an ongoing need to limit costs, the organisation curtailed its collection of literature for its resource centre, and reduced services to civilians                               |
| 1955    | Despite its efforts deficits continued   |
| 1956    | and the ARC argued that a periodic review of its financial situation would be needed in these time of uncertainty in trends and decreased donations  |
| 1956    | The event of managing reducing donations was exasperated by increasingly high demands for services and the financial difficulties continued with the organisation facing a difficult financial environment with limited financial resources.   |
| 1957    | As decreases in contributions continued the organisation continued to face the prospect of cutting some services with ongoing deficits experienced   |
| 1963    | Increasing costs for services, such as the transport services, in combination with a decrease in membership, continued to cause concern for the organisation   |
| 1965    | Troubled times continued into the 1960's with the organisation frequently experiencing deficits with increased demand for humanitarian services and increasing expenditure   |
| 1966    | The battle of raising sufficient funds to carry on many and varied activities continued with the organisation particularly noticing increasing running costs of homes and hospitals it was responsible for   |
| 1967/68 | The ARC continued to experience deficits and increasing costs  |
| 1968    | and expanding services, thus increased need for funds, ongoing fundraising problems  |
| 1969/70 | in times of decreasing income resulting in deficits  |
| 1973    | Relative monetary stability was experienced in the 1960's, but financial problems returned quite early in 1970's with Australia facing increasing inflation  |
| 1974    | bringing increasing costs of providing services and a return to deficits with expenditure increasing faster than income, and declining memberships   |
| 1974    | The economic climate remained difficult, forcing the ARC to review problems and decrease its services offered  |
| 1978    | Deficits continued   |
| 1979    | fundraising and operating a voluntary organisation in difficult times of economic confusion and uncertainty remained complex and challenging   |
| 1979    | The organisation faced increased difficulty in raising donations of funds and supplies such as donations of medical supplies   |
| 1981    | The need for contributions of time and money remained a priority if the organisation was to continue its work  |
| 1982    | and the organisation faced the challenge of persuading people to give their time and money to ensure services could continue   |
| 1985    | Raising sufficient funds continued to be of concern (ARC, 1985)  |
| 1986    | The ARC explained that a lack of awareness of public of need for funds   |
| 1987    | The organisation argued that the media were forgetting to cover the seemingly endless suffering in some regions requiring programs, which in addition to a decrease in the Australian dollar, was having a terrible effect on the ARC which was facing many disasters worldwide requiring assistance |

|      |   |
|------|---|
| 1988 | Limited resources continued and the organisation identified the need for new methods of fundraising to ensure secure income base for the future   |
| 1988 | was of concern and that new methods of fundraising would be needed to ensure secure income base for the future  |
| 1988 | Over time, it became a very competitive field for fundraising   |
| 1991 | with competition between the increasing numbers of relief agencies  |
| 1990 | The need for cash donations in particular became concerning, with income from donations falling slightly which was coupled with increased expenditure   |
| 1992 | The need for funds to continue services continued to be of concern with the threat of the economic climate in the 1990s on corporate Australia bringing reduced sponsorship which the organisation had become to depend upon. An example of this was the inability to attract a supplier of fuel on Australia-wide basis causing stress on its services |
| 1993 | Increasing financial constraint plus increased demand and complexity of services continued and the need to raise the national profit of the ARC to increase revenue remained critical   |
| 1997 | Large deficits returned in the late 1990s with reductions in legacies   |
| 1998 | and the pressure to obtain funds to maintain services with high interest rate risk became a concern   |
| 1999 | This difficult operating climate was coupled with declining membership numbers, and a further need to improve income with programs and fundraising initiatives  |
| 2008 | Increase in costs due to increases in demand for services continued   |
| 2009 | this coupled with increased expenditure resulted in a deficit of \$7.4 million in the late 2000s  |
| 2011 | The retail sector experienced particularly difficult trading conditions with low consumer confidence and the need to ensure sustainable positive net cash flows and asset value in the future   |

### Appendices N: Table 3 Surplus vs Deficit

| <i>Year(s)</i>          | <b>Surplus</b>  | <b>Deficit</b>   |
|-------------------------|---|--|
| <b><i>1945-1954</i></b> | 1945  | 1946, 1947, 1948,1949,<br>1950, 1951, 1952, 1953, 1954 |
| <b><i>1955-1964</i></b> | 1962, 1963, 1964  | 1955, 1956, 1957, 1958, 1959, 1960, 1961               |
| <b><i>1965-1974</i></b> | 1966, 1968, 1973, 1974,                                       | 1965, 1967, 1969, 1970, 1971, 1972,                    |
| <b><i>1975-1984</i></b> | 1975,1977,1978,1979, 1980, 1981                               | 1976, 1982, 1983, 1984                                 |
| <b><i>1985-1994</i></b> | 1985, 1986, 1987, 1988, 1989, 1990,<br>1991, 1992, 1993, 1994 |  |
| <b><i>1995-2004</i></b> | 1995, 1996, 1997, 1998, 2000, 2002,<br>2003                   | 1999, 2001, 2004                                       |
| <b><i>2005-2014</i></b> | 2005, 2010, 2011, 2012, 2013, 2014                            | 2006, 2007, 2008, 2009                                 |
|                         |   |  |



## Appendix O – Excerpts from the Tansley Report)

Observations and recommendations from the study:

- Examination of the fund raising systems and distribution of funds across divisions
- Need to ensure doesn't spread resources too thinly – review of volunteer structure being undertaken.
- Regular meeting of directors – increase cohesion
- Use of Experts – being undertaken but weaknesses in area of publicity and communication, fund raising and some programme activities.
- Regular change in source of professional advice
- Cost Benefit Analysis - appropriateness queried Society overextended?
  - Red Cross Leaders and Members know very little about the Red Cross – “Policy makers, staff and the public could all be better informed, but the lack of finance available for this purpose is a limiting factor”
  - Reluctance to initiate co-operation with outside agencies and governments
  - Institutional Fault
- Lack of clear purpose shared throughout the whole Society
- Ad Hoc methods of selecting activities
- Failure to relate activities to those of other organisations
- Failure to measure impact and relevance of activities
- Concentration of activities in urban areas
- Complicated governing structures
- Leadership and membership are drawn from a narrow base
- Infrequent change in leadership
- Unclear definitions of membership
- Full-time staff weak in numbers and qualifications
- Reluctance to work with other groups
- Reluctance to seek professional advice
- Controlled or dominated by Government
- Weak arrangements for financing
- Lack of understanding of Red Cross Principles, functions and structure
- Failure to accept responsibility as a member of the movement
- Self-Satisfaction

- The concept of International Red Cross: Reinforcing the Image of Red Cross
- The Basic Role of the Red Cross – questioned whether ARCS should follow US system of basic Red Cross services being nationally directed, more uniform and standard.

## Appendix P - Blood Transfusion Services Issues

| Comment  | Years   |
|--|---|
| Increasing demand for blood / need or donors   | 1950, 1953, 1954, 1955, 1957, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1969, 1978, 1982, 1985, 1986, 1987, 1988, 1990, 1991, 1992, 1993, 1994, 1995, 1998, 2000, 2001, 2002, 2003, 2009, 2010  |
| Increasing costs of transfusion services (in 1990s due to costs of screening etc)<br>Increasing costs/funds concerns<br>Need for government funding<br>Request for output funding to Australian Health Ministers Advisory Council  | 1953, 1990, 1992, 1993, 2009, 2010, 1960, 1969, 1971, 1973, 1975, 1976, 1976, 1993, 1996, 1998, 2004<br><br>1998  |
| Safety of blood products/concerns over duty of care and liability to donors and recipients<br><br><ul style="list-style-type: none"> <li>Hepatitis – cases of transmission despite screening</li> <li>AIDs - risk of infection</li> <li>Hepatitis, malaria, AIDS, vCID</li> <li>Resulting in increased need for blood supplies to allow for testing</li> <li>Fear of contracting AIDs from donating</li> <li>Legal action against blood bank for negligence</li> <li>Concerns for adequacy and safety of blood programs</li> </ul> | 1956, 1960, 1963, 1964, 1965, 1969, 1971, 1973, 1974, 1975, 1976, 1978, 1983, 1984, 1985, 1986, 1988, 1989, 1990, 1991, 1992, 1993, 1995, 1996, 1998, 1999, 1978<br><br>1983, 1985, 1986, 1988, 1991, 1993<br>1984, 1995, 1996, 2000, 2001, 2002, 2003, 2004<br><br>1985, 1986,<br>1988, 1989, 1994, 1995, 1996,<br><br>1990, 1991, 1993, 1995, 1996, 1998,<br><br>1993, 2003 |
| Assorted Issues: <ul style="list-style-type: none"> <li>Fractionation issues/labour and material shortages/Delays obtaining bottles from manufacturers</li> </ul>  | 1951  |

|   |                         |
|---|-------------------------|
| <ul style="list-style-type: none"> <li>• Australia slightly lagging in the field of blood transfusion research</li> </ul>   | 1963                    |
| <ul style="list-style-type: none"> <li>• Obligation to distribute facts and make new contributions to science and medical knowledge</li> </ul>                                    | 1965                    |
| <ul style="list-style-type: none"> <li>• Future of the blood services</li> </ul>  | 1974                    |
| <ul style="list-style-type: none"> <li>• Mounting criticisms by WHO and LRCS of commercial plasmapheresis</li> </ul>  | 1975, 1976              |
| <ul style="list-style-type: none"> <li>• Ethics and legal issues – potential for exploitation of donors</li> </ul>  | 1984                    |
| <ul style="list-style-type: none"> <li>• Government review of transfusion service</li> </ul>  | 1990/1991               |
| <ul style="list-style-type: none"> <li>• Committee did not have authority to implement all of its recommendations - require support of governments who provide funding</li> </ul> | 1992                    |
| <ul style="list-style-type: none"> <li>• Need to comply with Code of Good manufacturing Practice</li> </ul>   | 1993                    |
| <ul style="list-style-type: none"> <li>• New Blood Services body and structure – many events</li> </ul>   | 1999, 2002,             |
| <ul style="list-style-type: none"> <li>• Need for increased efficiency</li> </ul>   | 1999                    |
| <ul style="list-style-type: none"> <li>• Importance of public affairs and promoting fundamental principles and activities</li> </ul>  | 2000                    |
| <ul style="list-style-type: none"> <li>• Negotiating blood services agreement with government</li> </ul>  | 2003                    |
| <ul style="list-style-type: none"> <li>• Senate inquiry into Hep C and blood supply in Australia</li> </ul>   | 2004                    |
| <ul style="list-style-type: none"> <li>• Protect the future of voluntary blood system</li> </ul>  | 2007                    |
| Issues with premises  | 1950, 1962, 1964, 1965, |

## Appendix Q – Objects of the Society

- Furnishing aid to the sick and wounded irrespective of nationality,
- Rendering of assistance in the case of great public disaster etc
- Improvement of health
- Prevention of disease
- Mitigation of suffering in Australia and elsewhere
- Accept donations, endowments etc and use for purposes of the society
- Supply hospitals and ambulances, clothing, comforts etc for the sick and wounded in war and supplement hospitals, medical stores etc for the defence forces and allied defence forces.
- Act as a voluntary society under the provisions of the Geneva Convention
- Enrol persons having qualified in First Aid etc and cooperate with the Order of St. John Ambulance Association
- Maintain Red Cross Hospitals
- Promote Junior Red Cross organisations
- Maintain blood transfusion service
- Other peace and war time activities in conformity with the primary objects of the society and approved by the council
- Join or assist any International Red Cross society

(Royal Charter application, 1914)

## Appendix R - Timeline of the Australian Red Cross

- 1914** Australian Branch of the British Red Cross Society formed on outbreak of First World War
- 1915** Formation of Wounded and Missing Enquiry Bureaux and national scheme for Voluntary Aid Detachments
- 1918** Junior Red Cross formally established in Australia built on earlier efforts in NSW
- 1920** Foundation President Lady Helen Munro Ferguson leaves Australia
- 1927** Australia recognized as a national society in its own right by International Committee of the Red Cross
- 1929** Beginning of Blood Transfusion Service in Victoria
- 1939** Outbreak of Second World War. Australian Red Cross mobilises
- 1941** Australian Red Cross Society incorporated by Royal Charter
- 1941** Social Welfare Services expands to meet wartime demands. Australian Red Cross' focus is on rehabilitation for ex-servicemen, women and their families
- 1942** Prisoners of war become Australian Red Cross' number one priority
- 1944** Australian Red Cross membership reaches around 450,000
- 1950** Australian Red Cross Field Force in Japan with BCOF and assisting with Korean War
- 1955** Worst floods on record devastate NSW. Red Cross responds
- 1955** Commonwealth government joins states and assists with funding for Red Cross Blood Transfusion Services
- 1958** Australian government ratifies four Geneva Conventions
- 1964** Australian Red Cross celebrates 50 years
- 1974** Cyclone Tracy destroys Darwin, NT. Australian Red Cross is there
- 1989** National Youth Camp held to refocus on youth
- 1989** 75th anniversary of Australian Red Cross
- 1983** Ash Wednesday Bushfires in Victoria and South Australia
- 1989** Australian Red Cross formulates national policy on AIDS
- 1991** Australian government ratifies 1977 Additional Protocols
- 1991** Appointment of International Humanitarian Law Divisional Officers
- 1993** Australian Red Cross begins working with Federal government on Asylum Seeker

- 1914** Australian Branch of the British Red Cross Society formed on outbreak of First World War
- Assistance scheme
- 1996** Formation of Australian Red Cross Blood Transfusion Service
- 2002** Bali bombing. Australian Red Cross Bali Appeal launched
- 2004** Tsunamis and earthquakes devastate Indonesia, Thailand, Sri Lanka and Maldives. Australian Red Cross in action
- 2007** Endorsement of statement "The Power of Humanity"
- 2007** Expansion of programs for Aboriginal and Torres Strait Islander peoples
- 2009** Black Saturday bushfires. Red Cross involved with Victorian Bushfire Appeal Fund that raised more than \$379 million.
- 2010** Revised Royal Charter and Rules approved by Governor-General
- 2010** Haiti earthquake. Australian Red Cross ran an appeal and assisted international movement
- 2011** Queensland floods. Red Cross on the ground from 27 December 2010
- 2011** Australian Red Cross' Target Nuclear Weapons campaign; resolution adopted by governing body of IRCRC movement
- 2013** Australian Red Cross to host 19th General Assembly of International Federation and Council of Delegates of the International Red Cross Red Crescent Movement, Sydney
- 2014** Australian Red Cross turns 100.
- (ARC Website, 2016).

# Bali appeal fund

## —the facts

On the night of 12 October 2002, two enormous explosions ripped through the Sari Club and Paddy's Bar in Bali, killing 202 people, including 88 Australians.

Australian Red Cross decided to launch an appeal following public, business and government sentiment that this would be an appropriate mechanism by which to assist the victims. The Bali Appeal Fund was launched by the Red Cross four days after the tragedy.

By 31 July 2003, \$15 million had been raised through generous donations from the public, corporate, government and international Red Cross partners.

On 17 May 2003, two newspapers reported the views of a small number of Australian victims who were primarily unhappy with the delays surrounding the provision of prosthetic limbs. It has to be noted here that it was not the responsibility of the Red Cross to fund prosthetic limbs.

These newspaper reports triggered a series of allegations reported in the media in relation to Red Cross management of

the Fund, including the type of assistance being provided, perceived delays in payments to victims and the costs of administration.

### The PricewaterhouseCoopers (PwC) Report

In response to this critical media coverage, on 22 May 2003 the Red Cross commissioned PwC to undertake an independent, external audit of the administration of the Fund, and on 8 August 2003 the Red Cross announced the Report's findings.

The overall conclusions were:

- The Red Cross established appropriate governance and internal control procedures over the administration and day-to-day management of the Fund. This ensured adequate control and accountability such that the funds were spent in accordance with the original stated intent of the Appeal.
- With the benefit of hindsight, the clarity or timeliness of

certain aspects of Red Cross communication with the victims and the donating public could have been improved to ensure no gaps arose on the actual intent and progress of the Fund.

- There was no evidence of fraud or misuse of donor funds.

The PwC Report acknowledged the difficulty of responding to an emergency of such magnitude and complexity. It further stated that the Red Cross had faced a period of extraordinary stress, which would have stretched the resources, staff and capabilities of many organisations; but found that, while not perfect, its systems, staff, control and approach coped remarkably well.

The Report recommended the establishment of a formal risk assessment methodology, including:

- a rigorous communications management process for all appeals and activities
- continuation of input from victims in developing guidelines for assistance for the Fund and future appeals
- continued discussion with government to amend privacy laws in emergency situations and on how multi-agency responses can be improved to ensure that victims understand which agency will support their

needs and how they can best access such assistance.

The Red Cross accepts the findings of PwC and is committed to implementing its recommendations, believing the lessons learned will ultimately benefit those it seeks to help.

The Red Cross regrets any anguish the controversy may have caused the victims of the Bali tragedy and their families during the most difficult period in their lives.

### Government endorsement

Prime Minister John Howard welcomed the findings of the PwC Report. He acknowledged that the Red Cross had worked hard to support the victims of the Bali tragedy, and appreciated its cooperation with Government on this matter.

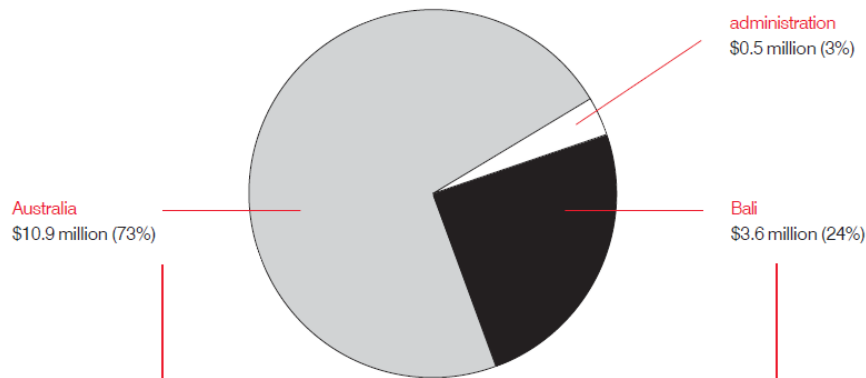
Separate reviews of the Bali Appeal Fund administration by the NSW and Victorian Governments concurred largely with PwC's findings. The Victorian Government concluded that the Red Cross did not breach any State legislation; while the NSW Government found that the Australian community could be assured that their donations would be used for the intended purposes of the Bali Appeal.



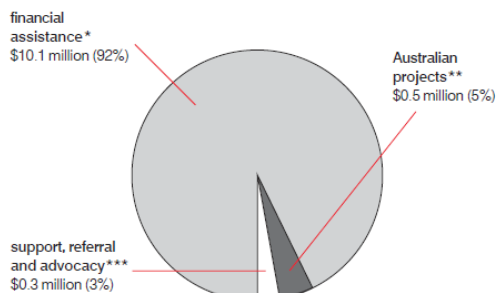
## Allocation of funds as at 31 July 2003—total funds raised: \$15 million

The Australian Red Cross Bali Appeal Fund was set up:

- to assist victims in Australia and their families
- to assist Red Cross to continue its work in providing relief, dressings and medical supplies in the affected area in Bali and to cover future needs including recovery and reconstruction.



### Allocation of assistance in Australia — \$10.9 million



\*The distribution of financial assistance commenced within five days of the Appeal launch, and almost \$5.5 million had been distributed to 524 Australians as at 31 July 2003. Of the remaining \$4.6 million:

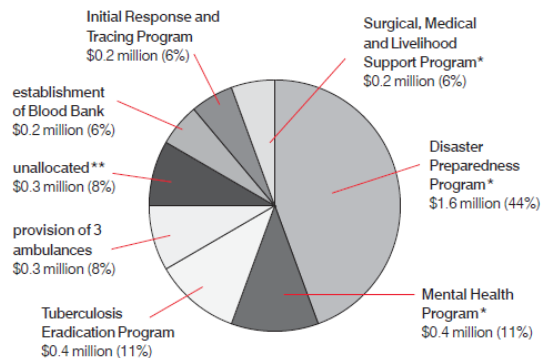
- \$3.2 million remains to provide lump sum payments for the longer-term needs of Australians most seriously affected.
- \$1.4 million is a contingency to provide additional longer-term assistance for seriously affected Australians, and for those who may not yet have approached the Red Cross for help.

\*\*The Australian projects are:

- a Disaster Preparedness Project to strengthen the Royal Darwin Hospital's ability to respond even better to future tragedies in the region
- a Spray-on-skin Research Project to improve the speed of treatment and recovery of patients with serious burns.

\*\*\*A network of caseworkers assisted individuals to access support from the Red Cross and other relevant agencies.

### Allocation of assistance in Bali — \$3.6 million



In accordance with international Red Cross protocol, Australian Red Cross is coordinating assistance to Bali with Indonesian Red Cross.

Other aid agencies are providing direct financial support to the Balinese victims, while Australian Red Cross assistance is focusing on special complementary programs which aim to reinforce emergency and health services for the Balinese people, and provide longer-term benefits.

\*The figure of \$2.5 million originally allocated towards the Disaster Preparedness Program was revised following an updated budget. Some of the savings have been used to support two projects identified as meeting emerging needs—the Surgical, Medical and Livelihood Support Program, and the Mental Health Program.

\*\*\$0.3 million remains from the initial allocation from the Disaster Preparedness Program which had not been reallocated as at 31 July 2003.

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